PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF THE YUKON TERRITORY

for the year ended March 31, 2002

Yukon
Finance

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Yukon

Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6

October 23, 2002

The Honourable Jack Cable
Commissioner of the Yukon

In accordance with the provisions of subsection 8(1) of the *Financial Administration Act* (Yukon) and section 52 of the *Legislative Assembly Act* (Yukon), I have the honour to submit herewith, the Public Accounts and the Annual Report for the fiscal year ended March 31, 2002.

Pat Duncan
Minister of Finance

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PUBLIC ACCOUNTS OF THE GOVERNMENT OF THE YUKON TERRITORY

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GOVERNMENT OF THE YUKON TERRITORY

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PART ONE

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

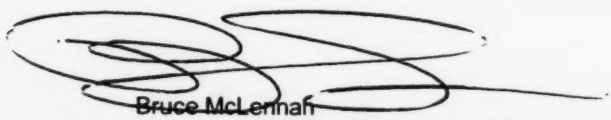
The preparation of the consolidated financial statements of the Government of the Yukon Territory is the responsibility of management of the Department of Finance.

The consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 to the consolidated financial statements and comply with the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants wherever applicable and practical. When alternative accounting methods exist, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these statements.

The Department of Finance maintains systems of financial management and control designed to provide timely and reliable information to users, to properly safeguard assets, and to ensure all financial transactions are in accordance with the *Yukon Act* (Canada), *Financial Administration Act* (Yukon) and regulations.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly the financial position of the Government, the results of its operations, cash flows and tangible capital assets for the year. During the course of the audit, she also examines transactions that have come to her notice, to ensure they are, in all significant respects, in accordance with the statutory powers of the Government and those organizations included in the consolidation. After completion of the audit, the Auditor General of Canada includes additional information, comments and recommendations in her report to the Legislative Assembly.

Annually, the consolidated financial statements are tabled in the Legislative Assembly as part of the Public Accounts, and are referred to the Public Accounts Committee. The Public Accounts Committee is to report to the Legislative Assembly on the results of its examination together with any recommendations.



Bruce McLennan
Deputy Head of the Department of Finance

September 26, 2002

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AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Legislative Assembly of the Yukon Territory

I have audited the consolidated statement of financial position of the Government of the Yukon Territory as at March 31, 2002 and the consolidated statements of operations and surplus, cash flows and tangible capital assets for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

As explained in Note 2(e), the Government records the liability for post-employment benefits earned by its employees. The Government's estimate of this liability is made on an actuarial basis. The actuary's estimate of the increase in the liability for these post-employment benefits for the year ended March 31, 2002 was $7.2 million. As explained in Note 12, the Government decided not to record this additional liability and related expense, based on a Management Board decision to limit the recorded amount of the liability. Consequently, the consolidated financial statements are not in accordance with the Government's stated accounting policies. If the costs of such benefits for this year had been expensed, the operations and maintenance expenditure would have increased by $7.2 million, the liability for post-employment benefits would have increased by $7.2 million, the deficit for the year would have increased by $7.2 million and the accumulated surplus would have decreased by the same amount.

In my opinion, except for the failure to record the additional costs for post-employment benefits as described in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Government of the Yukon Territory as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with the stated accounting policies of the Government of the Yukon Territory as set out in Note 2 to the consolidated financial statements. As required by the *Yukon Act*, I also report that, in my opinion, except as explained in the preceding paragraph, these stated accounting policies have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Government and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Government and of those organizations listed in Note 2(a) to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government's powers under the *Yukon Act* and the *Financial Administration Act* and regulations.

Additional information and comments on the consolidated financial statements and this opinion will be included in my annual report to the Legislative Assembly of the Yukon Territory.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
July 19, 2002, except as to Note 14 which is as of September 26, 2002.

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GOVERNMENT OF THE YUKON TERRITORY

Consolidated Statement of Financial Position
as at March 31, 2002

	2002	2001
	(thousands of dollars)	
ASSETS		
Cash and cash equivalents (Note 3)	$ 26,861	$ 5,272
Temporary investments (Note 4)	11,521	9,220
Due from Canada (Note 5)	39,958	84,482
Accounts receivable (Note 6)	10,150	12,166
Inventories	3,666	3,154
Loans receivable (Note 7)	60,150	55,047
Land held for sale (Note 8)	27,632	28,778
Investments in government business enterprises (Note 9(a))	111,258	105,760
Tangible capital assets, at a nominal value of one dollar (Note 10)	-	-
	$ 291,196	**$ 303,879**
LIABILITIES		
Due to Canada (Note 5)	$ 4,845	$ 5,688
Accounts payable and accrued liabilities (Note 11)	44,501	39,731
Deferred revenues	8,848	9,323
Post-employment benefits (Note 12)	33,214	33,194
Long-term debt (Note 13)	31,646	31,840
	123,054	119,776
Contingencies, commitments and guarantees (Notes 8, 9(c), 19, 21, 22, 23, 24 and 25)		
ACCUMULATED SURPLUS		
Accumulated surplus	168,142	184,103
	$ 291,196	**$ 303,879**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

Approved:

Deputy Head of the Department of Finance

Minister of Finance

GOVERNMENT OF THE YUKON TERRITORY

Consolidated Statement of Operations and Surplus
for the year ended March 31, 2002

	2002		2001
	Main Estimates (Note 18)	Actual	Actual
	(thousands of dollars)		
Revenues (Schedule A)			
Grant from Canada (Note 14)	$ 332,591	$ 348,646	$ 366,564
Taxes and general revenues	72,796	68,707	81,448
Transfer payments from Canada	20,070	25,831	19,928
Investment income	4,945	10,418	9,229
Recoveries (Schedule B)			
Operations and maintenance	38,253	37,363	37,013
Capital	31,478	27,349	26,512
	500,133	518,314	540,694
Expenditures (Note 15 and Schedule C)			
Operations and maintenance	428,256	431,464	413,494
Capital	93,473	103,649	91,819
	521,729	535,113	505,313
Recovery of prior years' expenditures	-	838	261
Surplus (deficit) for the year	**$ (21,596)**	(15,961)	35,642
Surplus at beginning of year		184,103	148,461
Surplus at end of year		**$ 168,142**	**$ 184,103**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF THE YUKON TERRITORY

Consolidated Statement of Cash Flows
for the year ended March 31, 2002

	2002	2001
	(thousands of dollars)	
Cash flows from operating activities		
Surplus (deficit) for the year	$ (15,961)	$ 35,642
Non-cash items included in surplus (deficit) for the year		
Write-down of temporary investments	46	236
Provision for doubtful loans receivable and accounts receivable	1,326	498
Provision for write-down of land held for sale	38	1,267
Gain on sale of lots	(116)	(266)
Investment income from government business enterprises	(5,498)	(4,189)
Provision for post-employment benefits	20	618
Changes in non-cash operating activities		
Decrease (increase) in temporary investments	(2,347)	12,758
Decrease (increase) in due from Canada	44,523	(47,357)
Decrease (increase) in accounts receivable	1,061	(1,436)
Decrease (increase) in inventories	(512)	212
Increase (decrease) in due to Canada	(842)	1,841
Increase (decrease) in accounts payable and accrued liabilities	4,770	(1,415)
Decrease in deferred revenues	(475)	(683)
	26,033	(2,274)
Cash flows from investing activities		
Investment in land held for sale	(2,462)	(3,022)
Proceeds from sale of land held for sale	673	990
Loans advanced	(15,511)	(14,040)
Loans repaid	12,263	8,458
	(5,037)	(7,614)
Cash flows from financing activities		
Issue of long-term debt	1,415	857
Repayment of long-term debt	(822)	(805)
	593	52
Net increase (decrease) in cash and cash equivalents	21,589	(9,836)
Cash and cash equivalents		
Beginning of year	5,272	15,108
End of year (Note 3)	**$ 26,861**	**$ 5,272**
Supplemental information		
Interest paid in the year	$ 2,742	$ 3,034
Interest received in the year	4,398	5,924

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF THE YUKON TERRITORY

Consolidated Statement of Tangible Capital Assets
for the year ended March 31, 2002

	Land	Buildings	Equipment	Vehicles	Computer hardware and software	Other*	Total
	(thousands of dollars)						
Cost of tangible capital assets, opening	$ 4,405	$ 362,376	$ 52,292	$ 8,228	$ 17,089	$ 3,900	$ 448,290
Acquisitions	437	7,920	4,252	1,165	1,932	179	15,885
Disposals	-	(229)	(253)	(315)	(29)	-	(826)
Cost of tangible capital assets, closing	4,842	370,067	56,291	9,078	18,992	4,079	463,349
Accumulated amortization, opening	-	129,435	25,119	4,721	10,273	1,962	171,510
Amortization expense	-	9,934	3,152	741	1,578	193	15,598
Write-downs	-	-	-	-	-	-	-
Disposals	-	(125)	(238)	(275)	(29)	-	(667)
Accumulated amortization, closing	-	139,244	28,033	5,187	11,822	2,155	186,441
Net book value	4,842	230,823	28,258	3,891	7,170	1,924	276,908
Work-in-progress	-	27,577	-	-	633	-	28,210
	$ 4,842	**$ 258,400**	**$ 28,258**	**$ 3,891**	**$ 7,803**	**$ 1,924**	**$ 305,118**

*Includes portable classrooms, housing trailers, land fixtures and leasehold improvements.

1. **Authority and operations**

The Government of the Yukon Territory (the Government) operates under the authority of the *Yukon Act* (Canada). All disbursements for operations and loans are authorized by the Yukon Legislative Assembly.

The Yukon Housing Corporation operates under the authority of the *Housing Corporation Act* (Yukon).

2. **Significant accounting policies**

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Government and organizations accountable to and controlled by the Government. The entities that exist to deliver the executive functions of the Government are fully consolidated in these financial statements. The entities that are deemed to be government partnerships are accounted for using the proportionate consolidation method. The entities that are deemed to be government business enterprises are accounted for using the modified equity method.

The organizations comprising the consolidated government reporting entity, categorized by accounting method are:

Fully consolidated:

Government of the Yukon Territory
Yukon Housing Corporation

Proportionate consolidation:

19596 Yukon Inc.

Modified equity:

Yukon Development Corporation
Yukon Liquor Corporation
Yukon Government Fund Limited

In October 1999 the Government, with Northwestel Inc. and another partner, formed a government partnership, 19596 Yukon Inc., in order to carry out the "Connect Yukon" telecommunication infrastructure development project to provide high speed internet services in the Yukon. 19596 Yukon Inc. has been financed with $9.3 million from the Yukon Government Fund Limited (Note 9(c)). 19596 Yukon Inc. leases equipment to Northwestel Inc. As described in Note 19, the Government has entered into a data service contract with Northwestel Inc.

Trusts administered by the Government on behalf of other parties (Note 17) are excluded from the consolidated Government reporting entity.

(b) Basis of accounting

Revenues

Revenues are recorded on an accrual basis unless the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. The exceptions are as follows:

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by Canada under a tax collection agreement and are remitted to the Government monthly. The remittances are based on estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are completed. The remittances for the taxation year are recognized as revenues of the fiscal year in which the taxation year ends, together with known income tax adjustments arising in the fiscal year.

Revenue from general property tax, assessed on a calendar year basis, is recognized in the fiscal year in which the calendar year ends.

Expenditures

Operations, maintenance and capital expenditures are recorded on an accrual basis. Transfer payments are recorded as expenditures when paid or when the terms of a contractual transfer agreement have been met.

Lease payments under capital and operating leases are recorded respectively as capital and operations and maintenance expenditures.

Expenditures are recovered from Canada and other sources under various cost-sharing agreements including reconstruction of the Alaska Highway, social assistance and occupational training. The amounts are recorded as recoverable in the year in which the related expenditures are incurred. Any adjustments upon finalization are reflected in the accounts in the year of adjustment.

Recovery of prior years' expenditures includes reversal of amounts accrued in prior years which are in excess of actual expenses. These amounts cannot be used to increase the amount appropriated for expenditures for the current year.

Assets

Temporary investments are valued at the lower of cost and market value.

Inventories consist primarily of fuel and lubricants, repair parts, stationery and office supplies, highway materials, and engineering, building and maintenance supplies, and are valued at the lower of cost and replacement value. Other materials and supplies are charged to expenditures at the time of acquisition.

Loans receivable are stated at principal amounts. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable amount, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized on an accrual basis until such time that the collectibility of either principal or interest is not reasonably assured.

Land held for sale comprises the costs of acquiring, planning and developing serviced lots for eventual sale. The lots are valued at cost, except, when there has been a loss in value that is other than a temporary decline, in which case the lots are written down to recognize the loss. Gains or losses on the sale of lots are recognized at the time of sale.

Tangible capital assets are charged to expenditures at the time of acquisition or construction and are shown on the consolidated statement of financial position at a nominal value of one dollar.

Liabilities

Liabilities include financial claims payable by the Government and deferred revenues.

Deferred revenues are cash received for which goods and services have not been provided by year-end, and are comprised of remittances of income taxes for the first three months of the following taxation year together with motor vehicle licence fees and other items for the following fiscal year.

(c) Investments

The *Financial Administration Act* (Yukon) allows the Government to invest money from the consolidated revenue fund in the following investments:

- securities that are obligations of, or guaranteed by, Canada or a province;
- fixed deposits, notes, certificates and other short term paper of, or guaranteed by, a bank including swapped deposit transactions in currency of the United States of America;
- commercial paper issued by a company incorporated under the laws of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions.

The duration of the securities held depends on cash projections but usually averages under a year in length.

(d) Grant and transfer payments from Canada

The grant is subject to the terms of a financial agreement with Canada and is receivable in monthly instalments. Periodic adjustments, as they become known, are made to the grant when income taxes, Canada Health and Social Transfer contributions and certain operating revenues and recoveries collected by the Government differ from the estimated amounts which were used to determine the grant for the fiscal year. Further adjustments are made in accordance with escalation and tax effort adjustment clauses in the agreement. Other adjustments may arise out of new federal initiatives or unforeseen events.

Transfer payments are received from Canada in accordance with the *Federal-Provincial Fiscal Arrangements Act*. Adjustments are made in accordance with the arrangements in the year they are known.

(e) Post-employment benefits

Post-employment benefits are expected to be provided after employment but before retirement to employees and their beneficiaries. These benefits include severance benefits and accumulated sick, vacation, compensatory and personal leave and travel bonus benefits that are paid in cash when the employee terminates. The Government recognizes the obligation for these benefits as a liability and uses actuarial estimates to determine the amount of the obligation.

(f) Retirement benefits

The Government's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government's contributions are recorded as expenditures on a current basis and represent the total pension obligations of the Government.

The Government administers the Legislative Assembly Retirement Allowances Plan for Members of the Legislative Assembly, and maintains a fund for this plan as the Government's trust account. The obligation for these retirement benefits is valued on an actuarial basis. The Government is obligated to make contributions if it is determined that there are actuarial deficiencies to the fund.

Supplementary pension benefits to judges are recorded on an actuarial basis. The obligation for judges' supplementary pension benefits is included in accrued liabilities.

(g) Measurement uncertainty

The preparation of financial statements in accordance with these accounting policies requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the grant from Canada, the obligation for post-employment benefits and contingencies.

3. Cash and cash equivalents

	2002	2001
	(thousands of dollars)	
Short-term investments	$ 30,211	$ 2,618
Cash on hand	63	73
Bank	(3,413)	2,581
	$ 26,861	$ 5,272

Cash and cash equivalents include cash on hand and balances with banks, and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

4. Temporary investments

	2002		2001	
	Market Value	Book Value	Market Value	Book Value
	(thousands of dollars)			
Mid-term notes	$ 5,125	$ 5,120	$ -	$ -
Commercial paper	5,075	5,086	-	-
Government of Canada coupons	945	983	-	-
Bankers' acceptance	376	376	-	-
Floating rate notes	-	-	5,045	5,064
Canada bonds	-	-	4,175	4,392
	$ 11,521	$ 11,565	$ 9,220	$ 9,456

Mid-term notes, commercial paper and bankers' acceptance have terms of less than one year from the date of acquisition. Government of Canada coupons have a term of maturity of one to two years from the date of acquisition. Temporary investments have a weighted average effective yield of 2.9 % (2001 - 5.5 %) per annum.

5. Due from/to Canada

	2002	2001
	(thousands of dollars)	
Due from Canada		
Cost-sharing agreements and projects delivered on behalf of Canada	$ 36,292	$ 35,119
Federal grant receivable	3,587	49,187
Other	79	176
	$ 39,958	$ 84,482
Due to Canada		
RCMP	$ 2,801	$ 3,238
Devolution funding repayable	1,322	1,322
Other	722	1,128
	$ 4,845	$ 5,688

Amounts due from and due to Canada are payable on demand and are non-interest bearing. The carrying amounts approximate fair market values because of their short term to maturity.

6. Accounts receivable

	2002	2001
	(thousands of dollars)	
Taxes, interest and other revenue receivables	$ 10,905	$ 11,771
Less valuation allowances	(3,606)	(2,739)
	7,299	9,032
Due from Territorial corporations	2,010	2,243
Prepaid expenses	841	891
	$ 10,150	$ 12,166

7. Loans receivable

	2002	2001
	(thousands of dollars)	
Mortgages receivable, due in varying annual amounts to the year 2015, bearing interest rates ranging from 1.0% to 10.0%	$ 42,503	$ 37,460
Debenture loans to municipalities, due in varying annual amounts to the year 2026, bearing interest rates ranging from 5.0% to 13.3%	11,430	11,538
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.0% to 13.6%	4,996	5,224
Agreements for sale, due in varying annual amounts over a three or five year term to the year 2007, bearing interest rates ranging from 5.0% to 8.5%	2,271	1,755
Local improvement loans, due in varying annual amounts to the year 2031, bearing interest rates ranging from 2.3% to 13.4%	1,946	1,817
Others	504	504
Less valuation allowances	(3,500)	(3,251)
	$ 60,150	$ 55,047

8. Land held for sale

	2002	2001
	(thousands of dollars)	
Raw land	$ 45	$ 45
Land under development	13,879	12,965
Finished land	13,708	15,768
	$ 27,632	$ 28,778

Land held for sale is affected by the Yukon First Nations land claims negotiations. At March 31, 2002, $2.7 million (2001 - $2.7 million) of finished land is included in the scope of existing land claims. Recovery of costs of the land selected in land claims settlements is to be provided for by Canada as per provisions of the Bilateral Agreement of June 24, 1993.

9. Investments in government business enterprises

(a) Summary financial statements

Summary financial statements of the government entities accounted for by the modified equity method are provided below. The Yukon Development Corporation and the Yukon Government Fund Limited have a fiscal year end of December 31. The Yukon Liquor Corporation has a fiscal year end of March 31.

	Yukon Development Corporation (as at December 31, 2001)	Yukon Government Fund Limited (as at December 31, 2001)	Yukon Liquor Corporation (as at March 31, 2002)	2002 Total	2001 Total
			(thousands of dollars)		
Balance Sheet					
Assets					
Current	$ 35,851	$ 705	$ 2,538	$ 39,094	$ 41,012
Investments	4,082	-	-	4,082	4,336
Capital assets	131,369	-	2,878	134,247	128,035
Other	9,857	12,740	-	22,597	15,505
	$ 181,159	$ 13,445	$ 5,416	$ 200,020	$ 188,888
Liabilities					
Current	$ 5,672	$ 13	$ 1,763	$ 7,448	$ 6,873
Long-term debt and other	67,173	13,366	775	81,314	76,255
Equity	108,314	66	2,878	111,258	105,760
	$ 181,159	$ 13,445	$ 5,416	$ 200,020	$ 188,888
Statement of Operations and Equity					
Revenues	$ 24,943	$ 636	$ 10,235	$ 35,814	$ 36,291
Expenses	19,376	508	5,512	25,396	27,062
Surplus	5,567	128	4,723	10,418	9,229
Remitted to the Government	-	-	(4,920)	(4,920)	(5,040)
Equity (deficit), beginning of year	102,747	(62)	3,075	105,760	101,571
Equity, end of year	$ 108,314	$ 66	$ 2,878	$ 111,258	$ 105,760

Equity represents the Government's investment in the government business enterprises.

(b) Inter-entity balances and transactions

	Yukon Development Corporation	Yukon Government Fund Limited	Yukon Liquor Corporation	2002 Total	2001 Total
	(as at December 31, 2001)		(as at March 31, 2002)		
	(thousands of dollars)				
Government of the Yukon Territory:					
Accounts receivable from	$ 131	$ -	$ 289	$ 420	$ 516
Loans receivable from	-	115	-	115	116
Accounts payable to	444	14	-	458	419
Loans payable to	-	2,272	-	2,272	857
Revenues from	277	-	285	562	386
Expenditures to	7,478	141	-	7,619	7,854

(c) Commitments

Yukon Development Corporation

In April 2001, the Yukon Energy Corporation, the Yukon Development Corporation's wholly-owned subsidiary, entered into a contract for the construction of a transmission line from the Mayo hydro generation plant to the Dawson distribution system. The total cost of the contract is $22 million, payable over the course of construction, which is estimated to be 19 months. As of December 31, 2001, the Yukon Energy Corporation had spent $5,458,000 toward the completion of this contract.

Yukon Government Fund Limited

On January 4, 1999 the Yukon Government Fund Limited finalized a Confidential Offering Memorandum for filing with the Business Immigration Division, Department of Citizenship and Immigration Canada. The offering expired on March 31, 1999. The company obtained $13.3 million from investors, of which $2.7 million is restricted. $9.3 million has been loaned to 19596 Yukon Inc. (Note 2(a)). The company has committed to use the remaining proceeds of the offering to invest in eligible businesses in the Yukon.

The $13,250,000 due to investors is repayable as follows:

	(thousands of dollars)
2005	$ 5,000
2006	8,250
	$ 13,250

10. Tangible Capital Assets

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services.

The Government is in the process of accumulating information on all of its tangible capital assets. As each asset category is completed, cost and amortization information will be presented in the statement of tangible capital assets. For example, infrastructure costs for roads and bridges have yet to be determined.

In the statement of tangible capital assets, tangible capital assets are reported at cost. Tangible capital assets transferred from Canada are reported at their fair market value at the date of transfer. Tangible capital assets that are held and available for use by the Government are reported based on the following capitalization thresholds and estimated useful lives.

Asset category	Threshold	Estimated useful life
Land	Nil	N/A
Buildings	$50,000	40 years
Portable classrooms/ housing trailers	$50,000	20 years
Land improvements and fixtures	$50,000	20 years
Heavy equipment	$10,000	7 - 30 years
Operating equipment	$10,000	7 - 25 years
Vehicles	$10,000	6 - 15 years
Computer hardware	$10,000	5 years
Computer software	$100,000	7 years
Leasehold improvements	$50,000	Lease term

Tangible capital assets under construction or development are reported as work-in-progress with no amortization until the asset is placed in service. Works of art and historical treasures are not reported.

11. Accounts payable and accrued liabilities

	2002	2001
	(thousands of dollars)	
Accrued liabilities	$ 23,212	$ 21,833
Accounts payable	14,858	13,283
Due to Territorial corporations	3,237	2,749
Contractors' holdbacks and security deposits	3,194	1,866
	$ 44,501	$ 39,731

12. Post-employment benefits

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method pro-rated on service. The obligation for compensatory and personal leave and travel bonus benefits is calculated assuming all employees would cash in those benefits on valuation date. In projecting the accrued obligation for these benefits as at March 31, 2002, the actuary used, as economic assumptions, the liability discount rate of 7.0%, the annual rates of general salary increases of 3.0% and the annual rate of inflation of 3.0%.

At March 31, 2002 the Government limited the unconsolidated post-employment benefits liability to the level established for the previous year. Expenditures related to post-employment benefits for the year ended March 31, 2002 were $2,571,000 (2001 - $2,203,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to $2,551,000 (2001 - $1,585,000).

13. Long-term debt

	2002	2001
	(thousands of dollars)	
Mortgages, with a variety of terms, secured by fixed charges against housing projects, repayable in blended monthly payments with maturities up to the year 2029, bearing fixed interest rates ranging from 5.1% to 12.5%	$ 20,799	$ 22,191
Canada Mortgage and Housing Corporation loans, repayable in blended annual payments with maturities up to the year 2028, bearing fixed interest rates ranging from 5.0% to 13.3%	4,724	4,871
Loans from Canada, repayable in annual instalments with maturities up to the year 2007, bearing fixed interest rates ranging from 6.1% to 11.1%	3,786	3,829
Loan from the Yukon Government Fund Limited, principal repayable at maturity of May 1, 2005, with interest payable monthly at the annual rate of 7.7% calculated and compounded semi-annually	2,272	857
Other debentures, repayable in semi-annual instalments with maturities up to the year 2003, bearing a fixed interest rate of 13.0%	65	92
	$ 31,646	$ 31,840

Principal repayment requirements over the next five years on outstanding loans are as follows:

	(thousands of dollars)
2003	$ 879
2004	955
2005	970
2006	3,327
2007	1,721
Thereafter	23,794
	$ 31,646

14. Grant from Canada

	2002	2001
	(thousands of dollars)	
Formula Financing grant entitlement	$ 348,347	$ 331,811
Adjustments in respect of:		
Formula financing escalators	238	35,463
Tax effort adjustment	2,753	(491)
Own source revenues and recoveries	(1,875)	4,098
Formula Financing grant	349,463	370,881
Less oil and gas revenue offset	(817)	(4,317)
Grant from Canada per Schedule of Revenues (Schedule A)	$ 348,646	$ 366,564

The Government receives a grant from Canada according to an agreed formula. The current Formula Financing Agreement with Canada is in effect for the period April 1, 1999 to March 31, 2004.

The Formula Financing grant calculation was finalized using July 1 population statistics released by Statistics Canada on September 26, 2002. This resulted in increased Formula Financing grant revenue of $1.2 million.

15. Expenditures by object

	2002	2001
	(thousands of dollars)	
Operations and maintenance		
Personnel	$ 199,240	$ 185,909
Transfer payments	92,871	91,152
Contract and special services	70,314	69,290
Materials, supplies and utilities	42,528	41,183
Communication and transportation	14,819	14,297
Loan interest	2,737	3,045
Other	8,955	8,618
	$ 431,464	$ 413,494
Capital		
Building and infrastructure	$ 69,937	$ 57,248
Transfer payments	19,261	18,666
Equipment	11,157	11,176
Other	3,294	4,729
	$ 103,649	$ 91,819

16. **Pension plans**

(a) Public Service Superannuation Plan

The Government's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times the employee's contribution. The Government's contributions to the Public Service Superannuation Plan during the year and recorded as expenditures were $16,858,000 (2001 - $15,582,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. In addition to retirement allowances, the plan also contains a provision for payment of lump sum death and severance allowances. These benefits are based on service and/or earnings. The Government administers the Legislative Assembly Retirement Allowances Fund, but reports the Fund as a trust account external to the Government of Yukon reporting entity (Note 17).

The *Legislative Assembly Retirement Allowances Act* (Yukon) stipulates that actuarial valuations of the obligation for these benefits must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. These assumptions reflect the best estimates of expected long-term rates and short-term forecasts accepted by the Members' Services Board of the Legislative Assembly. The last completed actuarial valuation was as at March 31, 1999, and a valuation as of March 31, 2002 is currently in progress.

At March 31, 2002 the Legislative Assembly Retirement Allowances Fund held in the Government's trust assets was $13,498,000 (2001 - $13,147,000). Trust assets comprise of cash and short-term investments, and are valued at the lower of cost or market value. As of March 31, 1999, the plan was fully funded with a funding surplus of $658,000.

The total pension-related expenditures recorded during the year and included in the expenditures of the Yukon Legislative Assembly are $465,000 (2001 - $426,000). Actual benefits paid in the year were $449,000 (2001 - $458,000).

(c) Territorial Court Judiciary Pension Plan

The *Territorial Court Judiciary Pension Plan Act* (Yukon) was enacted in May 2001, with an effective date of September 18, 1998. The Territorial Court Judiciary Pension Plan is a non-contributory defined benefit pension plan and the Government is not required to maintain a fund for this plan.

On April 12, 2002, the 2001 Yukon Judicial Compensation Commission submitted its report and recommendations to the Legislative Assembly, which included recommended changes to the Territorial Court Judiciary Pension Plan. Subsequently the Government accepted the majority of these recommendations.

As a result, the pension obligation at March 31, 2002 including the retroactive adjustments, based on an actuarial estimate determined by the projected benefit method prorated on services, increased to $1,871,000 (2001 - $192,000). Significant assumptions used in the actuarial valuation were the valuation interest rate of 7.0%, the inflation rate of 3.5% and salary increases as recommended by the Yukon Judicial Compensation Commission to April 1, 2003 and increase in line with inflation thereafter.

The obligation of $1,871,000 (2001 - $192,000) is included in the accrued liabilities of the Government, and the pension expenditure of $1,679,000 (2001 - $192,000) is included in the expenditures of the Department of Justice.

17. Trust assets and liabilities

The Government administers trust accounts on behalf of third parties which are not included in the Government's assets and liabilities.

The largest such trust account, the Compensation Fund (Yukon) has a fiscal year end of December 31. Details of the assets of the Compensation Fund (Yukon), principally investments, are available from its financial statements, which are reproduced in Section III of the Public Accounts of the Government. The remaining trust assets are invested primarily in short-term and long-term bonds.

Investments are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash.

	2002	2001
	(thousands of dollars)	
Compensation Fund (Yukon)	$ 140,374	$ 141,084
Legislative Assembly Retirement Allowances (Note 16(b))	13,498	13,147
Lottery Commission	2,799	3,262
Crime Prevention and Victim Services	2,244	2,042
Land Title Office – Assurance Fund	2,006	1,866
Historic Resources Trust Fund	1,027	564
Public Administrator	775	765
Public Service Group Insurance Benefit	352	660
Other	1,300	804
	$ 164,375	$ 164,194

18. Main Estimates

The Main Estimates comparative figures are from the Main Estimates approved in the Legislative Assembly in 2001. These figures do not reflect changes arising from Supplementary Estimates approved later in the year by the Legislative Assembly.

19. Commitments

At March 31, 2002 the Government had outstanding contractual obligations of $37.5 million (2001 - $43.1 million) for major capital projects. At that date, the estimated expenditures on these capital projects over the next three years were $139.6 million (2001 - $117.0 million), of which $69.3 million (2001 - $69.0 million) is 100% recoverable.

At March 31, 2002 the Government had annual building lease commitments of $6.3 million consisting of $5.1 million for rental costs and $1.2 million for operating costs. These leases are generally for three year terms.

The Government entered into a twenty year policing services contract with the RCMP in 1992. The estimated expenditure under this contract for 2002/2003 is $11.9 million.

On April 1, 2000 the Government entered into a five year data service contract with Northwestel Inc. At March 31, 2002 the outstanding obligation over the remaining three years was $3.6 million, with an annual payment amount of $1.2 million.

20. Overexpenditure

During the year, two (2001 - six) departments exceeded their votes with an aggregate total of $803,000 (2001 - $3,536,000). Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that "a vote does not authorize any payment to be made in excess of the amount specified in the vote".

The votes that were overexpended are as follows:

	(thousands of dollars)
Operations and maintenance	
Justice	$ 754
Tourism	49

21. Guarantees

The Government has guaranteed debts of the Yukon Development Corporation of $44.4 million (2001 - $45.2 million) and business loans of $1.1 million (2001 - $1.0 million). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Energy Corporation of up to $10.0 million. It is expected that no significant costs will be incurred by the Government with respect to these guarantees.

22. Transfer of programs from Canada

On October 29, 2001, Canada and the Government signed the Yukon Northern Affairs Program Devolution Transfer Agreement, in which both parties agreed to transfer from Canada to the Government the resources and responsibilities associated with the Northern Affairs Program of the Department of Indian Affairs and Northern Development. The programs and responsibilities being transferred include land, water, forestry and mineral resources. The effective date of the transfer is April 1, 2003. As of that effective date, Canada is to provide on-going funding estimated at $33.7 million to the Government as well as one-time and transitional funding of, at a minimum, $23.2 million over the five years beginning the fiscal year 2003/2004.

23. Land claims

The Government, with Canada and the various Yukon First Nations, is engaged in the negotiation of aboriginal land claims (final) and self-government agreements. On February 14, 1995, Federal and Yukon legislation came into force giving effect to four Yukon First Nation Final Agreements, which incorporated the provisions of the Umbrella Final Agreement (UFA) and specific provisions for each First Nation, and four Self-Government Agreements. The UFA is a framework document signed by the Council for Yukon Indians, Canada, and the Government. Two more Yukon First Nation Final and Self-Government Agreements came into effect on October 1, 1997, another came into effect on September 15, 1998, and the latest came into effect on April 2, 2002. Negotiations are proceeding with the remaining six First Nations on an individual basis. As well, the Government, with Canada, has engaged in land claims negotiations with one transboundary First Nation and anticipates further transboundary negotiations. Any settlement of these claims will not result in a liability to the Government as they are to be funded by Canada.

The Government signed a bilateral funding agreement with Canada on June 24, 1993 that provides for funding towards the Government's additional implementation costs. Costs funded by this agreement include boards and councils established under the Yukon First Nation Final Agreements and implementation projects and activities. The Government expended $3.6 million during the year (2001 - $3.5 million) with cumulative expenditures of approximately $19.7 million (2001 - $16.2 million), of which $15.0 million (2001 - $13.6 million) was funded by Canada.

24. Contingencies

In the normal course of operations, the Government is subject to legal claims. At March 31, 2002 the Government estimated the total claimed amount to be about $1.9 million (2001 - $4.8 million). No liability has been admitted and no provision for claims is included in these financial statements.

25. Environmental liabilities

The Government recognizes that there could be a liability for restoration of the environment on the land that is administered and controlled by the Government (Commissioner's Land).

The Government has identified 15 sites on Commissioner's Land where environmental liabilities may exist. Of these, three sites are on airports and are subject to the agreement between the Government and Transport Canada that includes remediation of contamination by Transport Canada. Three sites have been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. Of these three sites, two have been completely remediated. The Government is not a responsible party for the remaining one site. Of the nine sites that have not been formally designated, Whitehorse Grader Station has been partially assessed and remediated while the remaining eight are awaiting assessment work.

In those cases where the cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2002 no costs have yet been quantified, so no liability has been accrued.

Pursuant to the Yukon Northern Affairs Program Devolution Transfer Agreement which was made on October 29, 2001 (Note 22), effective April 1, 2003 the Government will assume administration and regulatory responsibility for nearly 900 waste sites. Canada, however, is to continue assuming the financial responsibility for a majority of those sites that were contaminated while under Canada's control. The Government will assume some potential liability for six sites for which Canada is released from further financial liability, and seven sites where the Government will remediate the sites and then seek reimbursement from Canada. As at March 31, 2002 the potential liability for these 13 sites has not been assessed.

26. Related parties

Related party transactions not disclosed elsewhere in the financial statements are as follows:

	2002	2001
	(thousands of dollars)	
Transfer payments		
Yukon Hospital Corporation	$ 22,749	$ 20,160
Yukon College	14,017	14,069
Yukon Legal Services Society	1,389	1,356
Yukon Arts Centre Corporation	568	864
Yukon Human Rights Commission	480	324
	$ 39,203	$ 36,773

GOVERNMENT OF THE YUKON TERRITORY

Schedule A

Consolidated Schedule of Revenues by Source
for the year ended March 31, 2002

	2002		2001
	Main Estimates (Note 18)	Actual	Actual
	(thousands of dollars)		
Grant from Canada (Note 14)	$ 332,591	$ 348,646	$ 366,564
Taxes and general revenues			
Income taxes	38,696	38,080	45,507
Other taxes	15,262	15,195	13,984
Licences, permits and fees	5,197	5,390	5,309
Oil and gas resource revenue	9,000	4,361	10,196
Liquor taxes	2,220	2,340	2,263
Interest - bank and other	1,159	1,370	2,474
Aviation operations	753	809	750
Other revenues	128	480	399
Fines	381	268	342
Management fee	-	262	-
Gain on sale of lots	-	152	224
	72,796	68,707	81,448
Transfer payments from Canada			
Canada Health and Social Transfer	20,070	25,831	19,928
Investment income (loss)			
Yukon Development Corporation	-	5,567	4,438
Yukon Liquor Corporation	4,945	4,723	4,824
Yukon Government Fund Limited	-	128	(33)
	4,945	10,418	9,229
	$ 430,402	$ 453,602	$ 477,169

GOVERNMENT OF THE YUKON TERRITORY

Schedule B

Consolidated Schedule of Recoveries by Function
for the year ended March 31, 2002

	2002		2001
	Main Estimates (Note 18)	Actual	Actual
	(thousands of dollars)		
Operations and maintenance			
Health and social services	$ 13,970	$ 14,805	$ 15,057
Community and transportation	9,918	10,257	9,459
General government	6,834	4,271	4,727
Education	2,403	2,475	2,516
Natural resources and economic development	801	1,030	864
Justice	1,275	915	1,265
Tourism and culture	240	513	240
Interest	2,812	3,097	2,885
	$ 38,253	**$ 37,363**	**$ 37,013**
Capital			
Community and transportation	$ 27,619	$ 22,489	$ 23,374
General government	1,081	1,774	1,293
Health and Social Services	1,000	1,350	13
Natural resources and economic development	1,425	966	906
Education	300	611	879
Tourism and culture	-	103	30
Justice	53	56	17
	$ 31,478	**$ 27,349**	**$ 26,512**

GOVERNMENT OF THE YUKON TERRITORY

Schedule C

Consolidated Schedule of Expenditures by Function
for the year ended March 31, 2002

	2002		2001
	Main Estimates (Note 18)	Actual (Note 15)	Actual
	(thousands of dollars)		
Operations and maintenance			
Health and social services	$ 125,578	$ 130,085	$ 123,147
Education	90,475	93,513	90,783
Community and transportation	79,298	77,294	73,781
General government	59,641	56,100	55,622
Justice	34,369	36,624	34,153
Natural resources and economic development	23,892	23,123	22,034
Tourism and culture	11,552	11,985	10,929
Interest	3,451	2,740	3,045
	$ 428,256	**$ 431,464**	**$ 413,494**
Capital			
Community and transportation	$ 48,624	$ 52,483	$ 45,171
Education	11,820	15,081	11,408
Health and Social Services	11,226	12,345	11,073
General government	6,658	9,445	7,955
Natural resources and economic development	9,097	8,526	11,062
Tourism and culture	3,675	4,368	4,473
Justice	2,373	1,401	677
	$ 93,473	**$ 103,649**	**$ 91,819**

PART TWO

NON-CONSOLIDATED FINANCIAL STATEMENTS

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SECTION I

GOVERNMENT OF THE YUKON TERRITORY

FINANCIAL STATEMENTS

(unaudited)

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GOVERNMENT OF THE YUKON TERRITORY

Statement of Financial Position
as at March 31, 2002

	2002	2001
	(thousands of dollars)	
ASSETS		
Cash and cash equivalents (Note 3)	$ 26,200	$ 3,368
Temporary investments (Note 4)	11,046	9,220
Due from Canada (Note 5)	39,437	83,999
Accounts receivable (Note 6)	10,310	12,426
Inventories	3,666	3,154
Advances to Territorial corporations (Note 7)	39,062	33,951
Loans receivable (Note 8)	25,535	25,560
Land held for sale (Note 9)	25,396	26,126
Tangible capital assets, at a nominal value of one dollar (Note 10)	-	-
	$ 180,652	**$ 197,804**
LIABILITIES		
Due to Canada (Note 5)	$ 4,845	$ 5,594
Accounts payable and accrued liabilities (Note 11)	43,777	38,289
Deferred revenues	8,223	8,599
Post-employment benefits (Note 12)	32,522	32,522
Long-term debt (Note 13)	8,296	8,423
	97,663	93,427
Contingencies, commitments and guarantees (Notes 9, 20, 22, 24, 25 and 26)		
SURPLUS		
Accumulated surplus		
Surplus	43,804	63,122
Dedicated funds (Note 14)	34,500	36,000
	78,304	99,122
Restricted funds (Note 15)	4,685	5,255
	$ 180,652	**$ 197,804**

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

Approved:

Deputy Head of the Department of Finance

Minister of Finance

GOVERNMENT OF THE YUKON TERRITORY

Statement of Operations and Accumulated Surplus
for the year ended March 31, 2002

	2002		2001
	Main Estimates (Note 19)	Actual	Actual
	(thousands of dollars)		
Revenues (Schedule A)			
Grant from Canada (Note 14)	$ 332,591	$ 348,646	$ 366,564
Taxes and general revenues	77,741	73,390	86,218
Transfer payments from Canada	20,070	25,831	19,928
Recoveries (Schedule B)			
Operations and maintenance	29,309	28,315	28,839
Capital	31,228	26,832	26,016
	490,939	503,014	527,565
Expenditures (Note 16 and Schedule C)			
Operations and maintenance	419,312	424,432	407,239
Capital	93,223	100,238	85,391
	512,535	524,670	492,630
Recovery of prior years' expenditures	-	838	261
Surplus (deficit) for the year	**$ (21,596)**	(20,818)	35,196
Accumulated surplus at beginning of year		99,122	63,926
Accumulated surplus at end of year		**$ 78,304**	**$ 99,122**

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF THE YUKON TERRITORY

Statement of Cash Flows
for the year ended March 31, 2002

	2002	2001
	(thousands of dollars)	
Cash flows from operating activities		
Surplus (deficit) for the year	$ (20,818)	$ 35,196
Non-cash items included in surplus (deficit) for the year		
Write-down of temporary investments	46	236
Provision for doubtful loans receivable and accounts receivable	926	209
Provision for write-down of land held for sale	-	985
Gain on sale of lots	(184)	(266)
Provision for post-employment benefits	-	716
Changes in non-cash operating activities		
Decrease (increase) in temporary investments	(1,872)	12,758
Decrease (increase) in due from Canada	44,561	(47,180)
Decrease (increase) in accounts receivable	1,312	(1,260)
Decrease (increase) in inventories	(512)	212
Increase (decrease) in due to Canada	(749)	1,747
Increase (decrease) in accounts payable and accrued liabilities	5,488	(1,362)
Decrease in deferred revenues	(376)	(477)
	27,822	1,514
Cash flows from investing activities		
Investment in land held for sale	(2,290)	(2,798)
Proceeds from sale of land held for sale	199	742
Advances to Territorial corporations	(5,360)	(9,831)
Repayment of advances from Territorial corporations	250	50
Loans advanced	(1,804)	(6,137)
Loans repaid	4,712	5,141
Decrease in restricted funds	(570)	(1,935)
	(4,863)	(14,768)
Cash flows from financing activities		
Repayment of long-term debt	(127)	(141)
Net increase (decrease) in cash and cash equivalents	22,832	(13,395)
Cash and cash equivalents		
Beginning of year	3,368	16,763
End of year (Note 3)	**$ 26,200**	**$ 3,368**
Supplemental information		
Interest paid in the year	$ 379	$ 388
Interest received in the year	1,997	3,964

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF THE YUKON TERRITORY

Statement of Tangible Capital Assets
for the year ended March 31, 2002

	Land	Buildings	Equipment	Vehicles	Computer hardware and software	Other*	Total
	(thousands of dollars)						
Cost of tangible capital assets, opening	$ 3,027	$ 315,543	$ 51,359	$ 8,228	$ 16,235	$ 3,734	$ 398,126
Acquisitions	429	7,460	3,000	1,165	1,911	-	13,965
Disposals	-	-	(253)	(315)	(29)	-	(597)
Cost of tangible capital assets, closing	3,456	323,003	54,106	9,078	18,117	3,734	411,494
Accumulated amortization, opening	-	114,012	24,970	4,721	9,547	1,959	155,209
Amortization expense	-	8,409	2,887	741	1,472	183	13,692
Write-downs	-	-	-	-	-	-	-
Disposals	-	-	(238)	(275)	(29)	-	(542)
Accumulated amortization, closing	-	122,421	27,619	5,187	10,990	2,142	168,359
Net book value	3,456	200,582	26,487	3,891	7,127	1,592	243,135
Work-in-progress	-	27,577	-	-	633	-	28,210
	$ 3,456	**$ 228,159**	**$ 26,487**	**$ 3,891**	**$ 7,760**	**$ 1,592**	**$ 271,345**

*Includes portable classrooms, housing trailers, land fixtures and leasehold improvements.

1. Authority and operations

The Government of the Yukon Territory (the Government) operates under the authority of the *Yukon Act* (Canada). All disbursements for operations and loans are authorized by the Yukon Legislative Assembly.

2. Significant accounting policies

(a) Financial statements

These financial statements are prepared on a non-consolidated basis for the purpose of determining the financial resources realistically available to the Government to meet its program responsibilities. Financial statements of the Yukon Housing Corporation, the Yukon Liquor Corporation, the Yukon Development Corporation and the Compensation Fund (Yukon) are reported on separately.

Net cost of operations of the Yukon Housing Corporation is included in the transfer payment to the Corporation. Yukon Liquor Corporation's net income, less acquisition of capital assets and related amortization, is included in revenues. Income of the Yukon Development Corporation and the Compensation Fund (Yukon) is retained within the entities and is, therefore, not reflected in these financial statements.

The Government also prepares a set of consolidated financial statements following the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(b) Basis of accounting

Revenues

Revenues are recorded on an accrual basis unless the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. The exceptions are as follows:

Income taxes, levied under the *Income Tax Act* (Yukon), are collected by Canada under a tax collection agreement and are remitted to the Government monthly. The remittances are based on estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are completed. The remittances for the taxation year are recognized as revenues of the fiscal year in which the taxation year ends, together with known income tax adjustments arising in the fiscal year.

Revenue from general property tax, assessed on a calendar year basis, is recognized in the fiscal year in which the calendar year ends.

Expenditures

Operations, maintenance and capital expenditures are recorded on an accrual basis. Transfer payments are recorded as expenditures when paid or when the terms of a contractual transfer agreement have been met.

Lease payments under capital and operating leases are recorded respectively as capital and operations and maintenance expenditures.

Expenditures are recovered from Canada and other sources under various cost-sharing agreements including reconstruction of the Alaska Highway, social assistance and occupational training. The amounts are recorded as recoverable in the year in which the related expenditures are incurred. Any adjustments upon finalization are reflected in the accounts in the year of adjustment.

Recovery of prior years' expenditures includes reversal of amounts accrued in prior years which are in excess of actual expenses. These amounts cannot be used to increase the amount appropriated for expenditures for the current year.

Assets

Temporary investments are valued at the lower of cost and market value.

Inventories consist primarily of fuel and lubricants, repair parts, stationery and office supplies, highway materials, and engineering, building and maintenance supplies, and are valued at the lower of cost and replacement value. Other materials and supplies are charged to expenditures at the time of acquisition.

Loans receivable are stated at principal amounts. Valuation allowances, which are recorded to reduce loans receivable to their net recoverable amount, are based on historical experience, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized on an accrual basis until such time that the collectibility of either principal or interest is not reasonably assured.

Land held for sale comprises the costs of acquiring, planning and developing serviced lots for eventual sale. The lots are valued at cost, except, when there has been a loss in value that is other than a temporary decline, in which case the lots are written down to recognize the loss. Gains or losses on the sale of lots are recognized at the time of sale.

Tangible capital assets are charged to expenditures at the time of acquisition or construction and are shown on the statement of financial position at a nominal value of one dollar.

Liabilities

Liabilities include financial claims payable by the Government and deferred revenues.

Deferred revenues are cash received for which goods and services have not been provided by year-end, and are comprised of remittances of income taxes for the first three months of the following taxation year together with motor vehicle licence fees and other items for the following fiscal year.

(c) Investments

The *Financial Administration Act* (Yukon) allows the Government to invest money from the consolidated revenue fund in the following investments:

- securities that are obligations of, or guaranteed by, Canada or a province;
- fixed deposits, notes, certificates and other short term paper of, or guaranteed by, a bank including swapped deposit transactions in currency of the United States of America;
- commercial paper issued by a company incorporated under the laws of Canada or a province, the securities of which are rated in the highest rating category by at least two recognized security rating institutions.

The duration of the securities held depends on cash projections but usually averages under a year in length.

(d) Grant and transfer payments from Canada

The grant is subject to the terms of a financial agreement with Canada and is receivable in monthly instalments. Periodic adjustments, as they become known, are made to the grant when income taxes, Canada Health and Social Transfer contributions and certain operating revenues and recoveries collected by the Government differ from the estimated amounts which were used to determine the grant for the fiscal year. Further adjustments are made in accordance with escalation and tax effort adjustment clauses in the agreement. Other adjustments may arise out of new federal initiatives or unforeseen events.

Transfer payments are received from Canada in accordance with the *Federal-Provincial Fiscal Arrangements Act*. Adjustments are made in accordance with the arrangements in the year they are known.

(e) Post-employment benefits

Post-employment benefits are expected to be provided after employment but before retirement to employees and their beneficiaries. These benefits include severance benefits and accumulated sick, vacation, compensatory and personal leave and travel benefits that are paid in cash when the employee terminates. The Government recognizes the obligation for these benefits as a liability and uses actuarial estimates to determine the amount of the obligation.

(f) Retirement benefits

The Government's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government's contributions are recorded as expenditures on a current basis and represent the total pension obligations of the Government.

The Government administers the Legislative Assembly Retirement Allowances Plan for Members of the Legislative Assembly, and maintains a fund for this plan as the Government's trust account. The obligation for these retirement benefits is valued on an actuarial basis. The Government is obligated to make contributions if it is determined that there are actuarial deficiencies to the fund.

Supplementary pension benefits to judges are recorded on an actuarial basis. The obligation for judges' supplementary pension benefits is included in accrued liabilities.

(g) Measurement uncertainty

The preparation of financial statements in accordance with these accounting policies requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenditures reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the grant from Canada, the obligation for post-employment benefits and contingencies.

3. Cash and cash equivalents

	2002	2001
	(thousands of dollars)	
Short-term investments	$ 30,211	$ 2,269
Cash on hand	61	70
Bank	(4,072)	1,029
	$ 26,200	$ 3,368

Cash and cash equivalents include cash on hand, balances with banks and short-term investments that have terms to maturity of less than 90 days from the dates of acquisition.

4. Temporary investments

	2002		2001	
	Market Value	Book Value	Market Value	Book Value
	(thousands of dollars)			
Mid-term note	$ 5,125	$ 5,120	$ -	$ -
Commercial paper	4,976	4,987	-	-
Government of Canada coupons	945	983	-	-
Floating rate notes	-	-	5,045	5,064
Canada bonds	-	-	4,175	4,392
	$ 11,046	$ 11,090	$ 9,220	$ 9,456

Mid-term notes and commercial paper have terms of maturity of less than one year from the date of acquisition. Government of Canada coupons have a term of maturity of one to two years from the date of acquisition. Temporary investments have a weighted average effective yield of 2.9% (2001 - 5.5%) per annum.

5. Due from/to Canada

	2002	2001
	(thousands of dollars)	
Due from Canada		
Cost-sharing agreements and projects delivered on behalf of Canada	$ 35,835	$ 34,797
Federal grant receivable	3,587	49,187
Other	15	15
	$ 39,437	$ 83,999
Due to Canada		
RCMP	$ 2,801	$ 3,238
Devolution funding repayable	1,322	1,322
Other	722	1,034
	$ 4,845	$ 5,594

Amounts due from and due to Canada are payable on demand and are non-interest bearing. The carrying amounts approximate fair market values because of their short term to maturity.

6. Accounts receivable

	2002	2001
	(thousands of dollars)	
Taxes, interest and other revenue receivables	$ 10,393	$ 11,239
Less valuation allowances	(3,292)	(2,539)
	7,101	8,700
Due from Territorial corporations	2,400	2,866
Prepaid expenses	809	860
	$ 10,310	$ 12,426

7. Advances to Territorial corporations

	2002	2001
	(thousands of dollars)	
Yukon Housing Corporation		
Working capital advances	$ 39,062	$ 33,951

The advances are interest free and have various repayment terms.

8. Loans receivable

	2002	2001
	(thousands of dollars)	
Debenture loans to municipalities, due in varying annual amounts to the year 2026, bearing interest rates ranging from 5.0% to 13.3%	$ 11,430	$ 11,538
Business development assistance loans, due in varying annual amounts with varying terms, bearing interest rates ranging from 0.0% to 13.6%	4,996	5,224
Loan to Yukon Housing Corporation, due in equal annual instalments to the year 2028, bearing interest at 0.0%	3,642	3,780
Due from Yukon Housing Corporation for lands agreements, due in periodic instalments to the year 2007, bearing interest at 0.0%	2,719	2,068
Local improvement loans, due in varying annual amounts to the year 2031, bearing interest rates ranging from 2.3% to 13.4%	1,946	1,817
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2014, bearing interest at 0.0%	1,804	1,957
Loan to Yukon Housing Corporation, due in periodic instalments to the year 2021, bearing interest at 0.0%	297	313
Energy infrastructure development loan, due in periodic instalments to the year 2005, bearing interest at 6.4%	205	205
Energy conservation loans due in varying annual amounts with varying rates of interest	184	184
Loan to Yukon Government Fund Limited, with no repayment terms, bearing interest at 0.0%	115	115
Agreements for sale, due in varying annual amounts over a three or five year term to the year 2007, bearing interest rates ranging from 5.0% to 8.5%	29	69
Less valuation allowances	(1,832)	(1,710)
	$ 25,535	$ 25,560

9. Land held for sale

	2002	2001
	(thousands of dollars)	
Raw land	$ 45	$ 45
Land under development	13,879	12,965
Finished land	11,472	13,116
	$ 25,396	$ 26,126

Land held for sale is affected by the Yukon First Nations land claims negotiations. At March 31, 2002, $2.7 million (2001 - $2.7 million) of finished land is included in the scope of existing land claims. Recovery of costs of the land selected in land claims settlements is to be provided for by Canada as per provisions of the Bilateral Agreement of June 24, 1993.

10. Tangible Capital Assets

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering services.

The Government is in the process of accumulating information on all of its tangible capital assets. As each asset category is completed, cost and amortization information will be presented in the statement of tangible capital assets. For example, infrastructure costs for roads and bridges have yet to be determined.

In the statement of tangible capital assets, tangible capital assets are reported at cost. Tangible capital assets transferred from Canada are reported at their fair market value at the date of transfer. Tangible capital assets that are held and available for use by the Government are reported based on the following capitalization thresholds and estimated useful lives.

Asset category	Threshold	Estimated useful life
Land	Nil	N/A
Buildings	$50,000	40 years
Portable classrooms/ housing trailers	$50,000	20 years
Land improvements and fixtures	$50,000	20 years
Heavy equipment	$10,000	7 - 30 years
Operating equipment	$10,000	7 - 25 years
Vehicles	$10,000	6 - 15 years
Computer hardware	$10,000	5 years
Computer software	$100,000	7 years
Leasehold improvements	$50,000	Lease term

Tangible capital assets under construction or development are reported as work-in-progress with no amortization until the asset is placed in service. Works of art and historical treasures are not reported.

11. Accounts payable and accrued liabilities

	2002	2001
	(thousands of dollars)	
Accrued liabilities	$ 22,714	$ 21,329
Accounts payable	14,544	12,441
Due to Territorial corporations	3,433	2,770
Contractors' holdbacks and security deposits	3,086	1,749
	$ 43,777	$ 38,289

12. Post-employment benefits

The actuarial obligation for sick and vacation leave and severance benefits is calculated using the projected benefit method pro-rated on service. The obligation for compensatory and personal leave and travel bonus benefits is calculated assuming all employees would cash in those benefits on valuation date. In projecting the accrued obligation for these benefits as at March 31, 2002, the actuary used, as economic assumptions, the liability discount rate of 7.0%, the annual rates of general salary increases of 3.0% and the annual rate of inflation of 3.0%.

At March 31, 2002 the Government limited the post-employment benefits liability to the level established for the previous year. Expenditures related to post-employment benefits for the year ended March 31, 2002 were $2,485,000 (2001 - $2,232,000). Benefits paid by the Government from the post-employment benefits liability during the year amounted to $2,485,000 (2001 - $1,516,000).

13. **Long-term debt**

	2002	2001
	(thousands of dollars)	
Loan from Yukon Housing Corporation, repayable in monthly blended payments until the year 2028, bearing interest at an annual rate of 7.0%	$ 4,445	$ 4,502
Loans from Canada, repayable in annual instalments with maturities up to the year 2007, bearing fixed interest rates ranging from 6.1% to 11.1%	3,786	3,829
Other debentures, repayable in semi-annual instalments with maturities up to the year 2003, bearing a fixed interest rate of 13.0%	65	92
	$ 8,296	$ 8,423

Principal repayment and interest requirements over the next five years on outstanding loans are as follows:

	Principal	Interest	Total
	(thousands of dollars)		
2003	$ 117	$ 683	$ 800
2004	126	672	798
2005	65	663	728
2006	70	658	728
2007	647	650	1,297

14. Grant from Canada

	2002	2001
	(thousands of dollars)	
Formula Financing grant entitlement	$ 348,347	$ 331,811
Adjustments in respect of:		
Formula financing escalators	238	35,463
Tax effort adjustment	2,753	(491)
Own source revenues and recoveries	(1,875)	4,098
Formula Financing grant	349,463	370,881
Less oil and gas revenue offset	(817)	(4,317)
Grant from Canada per Schedule of Revenues (Schedule A)	$ 348,646	$ 366,564

The Government receives a grant from Canada according to an agreed formula. The current Formula Financing Agreement with Canada is in effect for the period April 1, 1999 to March 31, 2004.

The Formula Financing grant calculation was finalized using July 1 population statistics released by Statistics Canada on September 26, 2002. This resulted in increased Formula Financing grant revenue of $1.2 million.

On March 28, 2001, the Government reached an agreement with Canada on outstanding formula financing issues. This agreement resulted in the Government receiving a one-time retroactive payment of approximately $36 million. As at March 31, 2001, the Government created dedicated funds with the $36 million. In the fiscal year 2001-02, the Government expended $1.5 million from these funds.

	2002	2001
	(thousands of dollars)	
Contingency reserve	$ 15,000	$ 15,000
Yukon permanent fund	10,000	10,000
Canada winter games infrastructure fund	8,000	8,000
Endowment funds	1,500	3,000
	$ 34,500	$ 36,000

15. Restricted funds

	2002	2001
	(thousands of dollars)	
Road and Airport Equipment Reserve Fund	$ 2,255	$ 3,019
Vehicle Fleet Revolving Fund	1,483	1,351
Recycling Fund	335	418
Property Management Revolving Fund	249	250
Health Investment Fund	191	79
Queen's Printer Revolving Fund	172	138
	$ 4,685	$ 5,255

16. Expenditures by object

	2002	2001
	(thousands of dollars)	
Operations and maintenance		
Personnel	$ 195,911	$ 182,528
Transfer payments	93,132	93,434
Contract and special services	71,047	70,066
Materials, supplies and utilities	39,423	37,736
Communication and transportation	15,523	14,861
Other	9,396	8,614
	$ 424,432	$ 407,239
Capital		
Building and infrastructure	$ 69,279	$ 54,510
Transfer payments	20,958	20,173
Equipment	7,027	6,349
Other	2,974	4,359
	$ 100,238	$ 85,391

17. **Pension plans**

(a) Public Service Superannuation Plan

The Government's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times the employee's contribution. The Government's contributions to the Public Service Superannuation Plan during the year and recorded as expenditures were $16,858,000 (2001 - $15,582,000).

(b) Legislative Assembly Retirement Allowances Plan

The Legislative Assembly Retirement Allowances Plan is a contributory defined benefit pension plan. In addition to retirement allowances, the plan also contains a provision for payment of lump sum death and severance allowances. These benefits are based on service and/or earnings. The Government administers the Legislative Assembly Retirement Allowances Fund, but reports the Fund as a trust account external to the Government of Yukon reporting entity (Note 18).

The *Legislative Assembly Retirement Allowances Act* (Yukon) stipulates that actuarial valuations of the obligation for these benefits must be performed at least triennially. An actuarial valuation is based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases and member turnover and mortality. These assumptions reflect the best estimates of expected long-term rates and short-term forecasts accepted by the Members' Services Board of the Legislative Assembly. The last completed actuarial valuation was as at March 31, 1999, and a valuation as of March 31, 2002 is currently in progress.

At March 31, 2002 the Legislative Assembly Retirement Allowances Fund held in the Government's trust assets was $13,498,000 (2001 - $13,147,000). Trust assets comprise of cash and short-term investments, and are valued at the lower of cost or market value. As of March 31, 1999, the plan was fully funded with a funding surplus of $658,000.

The total pension-related expenditures recorded during the year and included in the expenditures of the Yukon Legislative Assembly are $465,000 (2001 - $426,000). Actual benefits paid in the year were $449,000 (2001 - $458,000).

(c) Territorial Court Judiciary Pension Plan

The *Territorial Court Judiciary Pension Plan Act* (Yukon) was enacted in May 2001, with an effective date of September 18, 1998. The Territorial Court Judiciary Pension Plan is a non-contributory defined benefit pension plan and the Government is not required to maintain a fund for this plan.

On April 12, 2002, the 2001 Yukon Judicial Compensation Commission submitted its report and recommendations to the Legislative Assembly, which included recommended changes to the Territorial Court Judiciary Pension Plan. Subsequently the Government accepted the majority of these recommendations.

As a result, the pension obligation at March 31, 2002 including the retroactive adjustments, based on an actuarial estimate determined by the projected benefit method prorated on services, increased to $1,871,000 (2001 - $192,000). Significant assumptions used in the actuarial valuation were the valuation interest rate of 7.0%, the inflation rate of 3.5% and salary increases as recommended by the Yukon Judicial Compensation Commission to April 1, 2003 and increase in line with inflation thereafter.

The obligation of $1,871,000 (2001 - $192,000) is included in the accrued liabilities of the Government, and the pension expenditure of $1,679,000 (2001 - $192,000) is included in the expenditures of the Department of Justice.

18. Trust assets and liabilities

The Government administers trust accounts on behalf of third parties which are not included in the Government's assets and liabilities. Trust assets are invested primarily in short-term and long-term bonds. Investments are valued at the lower of cost and market. Any other assets held under administration such as property, securities and valuables are reflected in trust accounts only upon conversion to cash.

	2002	2001
	(thousands of dollars)	
Legislative Assembly Retirement Allowances (Note 17(b))	$ 13,498	$ 13,147
Lottery Commission	2,799	3,262
Crime Prevention and Victim Services	2,244	2,042
Land Title Office – Assurance Fund	2,006	1,866
Historic Resources Trust Fund	1,027	564
Public Administrator	775	765
Public Service Group Insurance Benefit	352	660
Other	1,300	804
	$ 24,001	$ 23,110

19. Main Estimates

The Main Estimates comparative figures are from the Main Estimates approved in the Legislative Assembly in 2001. These figures do not reflect changes arising from the Supplementary Estimates approved later in the year by the Legislative Assembly.

20. Commitments

At March 31, 2002 the Government had outstanding contractual obligations of $37.1 million (2001 - $41.3 million) for major capital projects. At that date, the estimated expenditures on these capital projects over the next three years were $139.2 million (2001 - $115.1 million), of which $69.3 million (2001 - $69.0 million) is 100% recoverable.

At March 31, 2002 the Government had annual building lease commitments of $6.3 million consisting of 5.1 million for rental costs and $1.2 million for operating costs. These leases are generally for three year terms.

The Government entered into a twenty year policing services contract with the RCMP in 1992. The estimated expenditure under this contract for 2002/2003 is $11.9 million.

On April 1, 2000 the Government entered into a five year data service contract with Northwestel Inc. At March 31, 2002 the outstanding obligation over the remaining three years for this contract was $3.6 million, with an annual payment amount of $1.2 million.

21. Overexpenditure

During the year, two (2001 - six) departments exceeded their votes with an aggregate total of $803,000 (2001 - $3,536,000). Overexpenditure of a vote contravenes subsection 17(2) of the *Financial Administration Act* (Yukon) which specifies that "a vote does not authorize any payment to be made in excess of the amount specified in the vote".

The votes that were overexpended are as follows:

	(thousands of dollars)
Operations and maintenance	
Justice	$ 754
Tourism	49

22. Guarantees

The Government has guaranteed repayment of loans payable by the Yukon Housing Corporation of $25.5 million (2001 - $27.1 million), debts of the Yukon Development Corporation of $44.4 million (2001 - $45.2 million) and business loans totalling $1.1 million (2001 - $1.0 million). In addition, the Government has guaranteed an operating demand overdraft facility to the Yukon Housing Corporation of up to $11.0 million and to the Yukon Energy Corporation of up to $10.0 million. It is expected that no significant costs will be incurred by the Government with respect to these guarantees.

23. Transfer of programs from Canada

On October 29, 2001, Canada and the Government signed the Yukon Northern Affairs Program Devolution Transfer Agreement, in which both parties agreed to transfer from Canada to the Government the resources and responsibilities associated with the Northern Affairs Program of the Department of Indian Affairs and Northern Development. The programs and responsibilities being transferred include land, water, forestry and mineral resources. The effective date of the transfer is April 1, 2003. As of that effective date, Canada is to provide to the Government on-going funding estimated at $33.7 million to the Government as well as one-time and transitional funding of, at a minimum, $23.2 million over the five years beginning the fiscal year 2003/2004.

24. Land claims

The Government, with Canada and the various Yukon First Nations, is engaged in the negotiation of aboriginal land claims (final) and self-government agreements. On February 14, 1995, Federal and Yukon legislation came into force giving effect to four Yukon First Nation Final Agreements, which incorporated the provisions of the Umbrella Final Agreement (UFA) and specific provisions for each First Nation, and four Self-Government Agreements. The UFA is a framework document signed by the Council for Yukon Indians, Canada, and the Government. Two more Yukon First Nation Final and Self-Government Agreements came into effect on October 1, 1997, another came into effect on September 15, 1998, and the latest came into effect on April 2, 2002. Negotiations are proceeding with the remaining six First Nations on an individual basis. As well, the Government, with Canada, has engaged in land claims negotiations with one transboundary First Nation and anticipates further transboundary negotiations. Any settlement of these claims will not result in a liability to the Government as they are to be funded by Canada.

The Government signed a bilateral funding agreement with Canada on June 24, 1993 that provides for funding towards the Government's additional implementation costs. Costs funded by this agreement include boards and councils established under the Yukon First Nation Final Agreements and implementation projects and activities. The Government expended $3.6 million during the year (2001 - $3.5 million) with cumulative expenditures of approximately $19.7 million (2001 - $16.2 million), of which $15.0 million (2001 - $13.6 million) was funded by Canada.

25. Contingencies

In the normal course of operations, the Government is subject to legal claims. At March 31, 2002 the Government estimated the total claimed amount to be about $1.9 million (2001 - $4.8 million). No liability has been admitted and no provision for claims is included in these financial statements.

26. Environmental liabilities

The Government recognizes that there could be a liability for restoration of the environment on the land that is administered and controlled by the Government (Commissioner's Land).

The Government has identified 15 sites on Commissioner's Land where environmental liabilities may exist. Of these, three sites are on airports and are subject to the agreement between the Government and Transport Canada that includes remediation of contamination by Transport Canada. Three sites have been formally designated as contaminated under the *Environment Act* (Yukon) and the *Contaminated Sites Regulation*. Of these three sites, two have been completely remediated. The Government is not a responsible party for the remaining one site. Of the nine sites that have not been formally designated, Whitehorse Grader Station has been partially assessed and remediated while the remaining eight are awaiting assessment work.

In those cases where the cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2002 no costs have yet been quantified, so no liability has been accrued.

Pursuant to the Yukon Northern Affairs Program Devolution Transfer Agreement which was made on October 29, 2001 (Note 23), effective April 1, 2003 the Government will assume administration and regulatory responsibility for nearly 900 waste sites. Canada, however, is to continue assuming the financial responsibility for a majority of those sites that were contaminated while under Canada's control. The Government will assume some potential liability for six sites for which Canada is released from further financial liability, and seven sites where the Government will remediate the sites and then seek reimbursement from Canada. As at March 31, 2002 the potential liability for these 13 sites has not been assessed.

27. **Related parties**

Related party transactions not disclosed elsewhere in the financial statements are as follows:

	2002	2001
	(thousands of dollars)	
Revenues/Recoveries from:		
Compensation Fund (Yukon)	$ 912	$ 773
Yukon Housing Corporation	611	542
Yukon Lotteries Commission	552	638
Yukon Liquor Corporation	285	296
Yukon Development Corporation	197	130
Yukon College	179	129
Yukon Hospital Corporation	20	22
Yukon Arts Centre Corporation	1	3
	$ 2,757	$ 2,533
Expenditures to:		
Yukon Hospital Corporation	$ 22,749	$ 20,160
Yukon College	14,291	14,340
Yukon Development Corporation	7,282	7,510
Compensation Fund (Yukon)	3,378	2,936
Yukon Housing Corporation	2,970	4,843
Yukon Legal Services Society	1,389	1,356
Yukon Arts Centre Corporation	574	872
Yukon Human Rights Commission	480	324
	$ 53,113	$ 52,341

GOVERNMENT OF THE YUKON TERRITORY

Schedule A

Schedule of Revenues
for the year ended March 31, 2002

	2002		2001
	Main Estimates (Note 19)	Actual	Actual
	(thousands of dollars)		
Grant from Canada (Note 14)	$ 332,591	$ 348,646	$ 366,564
Taxes and general revenues			
Income taxes	38,696	38,080	45,507
Other taxes	15,262	15,195	13,984
Licences, permits and fees	5,197	5,394	5,309
Yukon Liquor Corporation - net income	4,945	4,920	5,040
Oil and gas resource revenue	9,000	4,361	10,196
Liquor taxes	2,220	2,340	2,263
Interest - bank and other	1,159	1,344	2,458
Aviation operations	753	809	750
Management fee	-	347	-
Fines	381	268	342
Gain on sale of lots	-	185	224
Other revenues	128	147	145
	77,741	73,390	86,218
Transfer payments from Canada			
Canada health and social transfer	20,070	25,831	19,928
	$ 430,402	**$ 447,867**	**$ 472,710**

GOVERNMENT OF THE YUKON TERRITORY

Schedule B

Schedule of Recoveries
for the year ended March 31, 2002

	2002		2001
	Main Estimates (Note 19)	Actual	Actual
		(thousands of dollars)	
Operations and maintenance			
Health and Social Services	$ 13,970	$ 15,254	$ 15,491
Community and Transportation Services	2,887	3,052	2,809
Education	2,403	2,475	2,516
Executive Council Office	4,722	2,351	2,745
Government Services	2,051	1,912	1,960
Renewable Resources	773	993	839
Justice	1,275	915	1,265
Tourism	240	513	240
Economic Development	28	37	25
Public Service Commission	45	23	27
Finance	16	6	17
Office of the Ombudsman	-	(1)	3
Interest	899	785	902
	$ 29,309	**$ 28,315**	**$ 28,839**
Capital			
Community and Transportation Services	$ 27,369	$ 25,163	$ 25,520
Government Services	1,081	1,764	1,150
Health and Social Services	1,000	1,350	13
Economic Development	1,206	945	810
Education	300	611	879
Tourism	-	103	30
Justice	53	56	17
Renewable Resources	219	37	111
Executive Council Office	-	-	5
	$ 31,228	30,029	28,535
Less: Community and Transportation Services land recoveries transferred to land held for sale		3,006	2,295
Community and Transportation Services local improvement recoveries transferred to loans receivable		175	209
Renewable Resources land recoveries transferred to land held for sale		16	15
		$ 26,832	**$ 26,016**

GOVERNMENT OF THE YUKON TERRITORY

Schedule C

Schedule of Expenditures
for the year ended March 31, 2002

	2002	Actual 2002				2001
	Main Estimates (Note 19)	Personnel	Transfer Payments	Other	Total Expenditures (Note 16)	Actual
			(thousands of dollars)			
Operations and maintenance						
Health and Social Services	$ 125,889	$ 42,840	$ 43,629	$ 44,291	$ 130,760	$ 123,660
Education	90,475	61,682	18,961	12,889	93,532	90,809
Community and Transportation Services	69,765	23,623	20,167	26,505	70,295	66,053
Justice	34,369	17,104	3,002	16,518	36,624	34,153
Government Services	24,973	7,531	382	17,311	25,224	24,959
Renewable Resources	16,122	11,225	702	4,217	16,144	15,395
Tourism	11,552	4,202	2,460	5,323	11,985	10,929
Public Service Commission	11,728	9,721	-	2,069	11,790	10,577
Executive Council Office	14,334	7,568	2,008	1,822	11,398	12,380
Economic Development	7,770	3,953	485	2,541	6,979	6,638
Finance	4,249	3,416	626	354	4,396	4,258
Yukon Legislative Assembly	3,229	2,318	-	830	3,148	3,076
Yukon Housing Corporation (Transfer Payment)	3,350	-	623	-	623	2,723
Women's Directorate	584	387	87	104	578	506
Office of the Ombudsman	312	263	-	65	328	319
Elections Office	232	78	-	229	307	471
Interest on Loans	379	-	-	378	378	385
	$ 419,312	195,911	93,132	135,446	424,489	407,291
Less: Health and Social Services loan payments transferred to long-term debt		-	-	57	57	53
Economic Development loans transferred to loans receivable		-	-	-	-	(1)
		$ 195,911	**$ 93,132**	**$ 135,389**	**$ 424,432**	**$ 407,239**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Expenditures
for the year ended March 31, 2002

Schedule C
Continued

	2002 Main Estimates (Note 19)	Actual 2002 Personnel	Transfer Payments	Other	Total Expenditures (Note 16)	2001 Actual
			(thousands of dollars)			
Capital						
Community and Transportation Services	$ 46,180	$ 3,778	$ 8,556	$ 38,430	$ 50,764	$ 41,729
Education	11,820	724	2,459	11,898	15,081	11,408
Health and Social Services	11,226	-	1,931	10,414	12,345	11,073
Government Services	6,170	1,779	94	5,069	6,942	6,589
Economic Development	7,197	1,421	2,911	2,589	6,921	9,446
Tourism	3,675	742	2,368	1,258	4,368	4,473
Yukon Housing Corporation (Transfer Payment)	2,194	-	1,697	-	1,697	1,507
Executive Council Office	390	42	835	760	1,637	280
Renewable Resources	1,900	156	107	1,342	1,605	1,640
Justice	2,373	77	-	1,324	1,401	677
Public Service Commission	35	-	-	34	34	18
Finance	30	-	-	29	29	30
Yukon Legislative Assembly	20	-	-	9	9	19
Office of the Ombudsman	5	-	-	5	5	5
Women's Directorate	5	-	-	5	5	-
Elections Office	3	-	-	2	2	3
	$ 93,223	8,719	20,958	73,168	102,845	88,897
Less: Community and Transportation Services land development costs transferred to land held for sale		360	-	1,930	2,290	2,775
local improvement costs transferred to loans receivable		-	-	317	317	707
Renewable Resources land development costs transferred to land held for sale		-	-	-	-	24
		$ 8,359	**$ 20,958**	**$ 70,921**	**$ 100,238**	**$ 85,391**

SECTION II

SUPPLEMENTARY FINANCIAL INFORMATION

(unaudited)

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GOVERNMENT OF THE YUKON TERRITORY

Schedule 1

Comparative Schedule of Revenues
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Taxation			
Income taxes	$ 38,079,989	$ 45,507,372	$ (7,427,383)
Fuel tax	6,720,403	5,824,985	895,418
Tobacco tax	5,146,152	4,893,980	252,172
Liquor tax	2,339,835	2,263,240	76,595
General property tax	2,074,464	2,097,008	(22,544)
Insurance premium tax	1,061,841	955,886	105,955
Grants in lieu of property tax	191,897	211,732	(19,835)
	55,614,581	61,754,203	(6,139,622)
Licences, Permits and Fees			
Motor vehicle	2,781,374	2,719,213	62,161
Business and professional	1,065,007	1,029,068	35,939
Game and campground	770,951	794,814	(23,863)
Community and Transportation	275,473	322,165	(46,692)
Vacation guide advertising revenue	146,714	146,811	(97)
Justice	153,721	132,734	20,987
Yukon Beringia Interpretive Centre	72,224	69,682	2,542
Education	55,112	47,487	7,625
Health and Social Services	41,595	29,816	11,779
Loan guarantee	17,298	1,257	16,041
Renewable Resources	14,081	16,336	(2,255)
	5,393,550	5,309,383	84,167
Interest			
Bank and investment	940,370	2,080,658	(1,140,288)
Delinquent accounts	178,949	156,668	22,281
Economic Development loans	127,012	138,541	(11,529)
Local improvement	95,706	73,851	21,855
Land sale agreements	2,593	8,443	(5,850)
	1,344,630	2,458,161	(1,113,531)

GOVERNMENT OF THE YUKON TERRITORY

Schedule 1

Comparative Schedule of Revenues
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Fines			
Territorial Court	$ 260,147	$ 333,210	$ (73,063)
Library fines	8,000	8,489	(489)
	268,147	341,699	(73,552)
Other			
Land leases	78,628	81,313	(2,685)
Currency exchange	20,151	27,133	(6,982)
Photocopier	7,474	7,179	295
Sale of photographs	6,033	7,282	(1,249)
Rental of audio-visual equipment	2,200	2,413	(213)
Sundry	32,881	19,305	13,576
	147,367	144,625	2,742
General			
Yukon Liquor Corporation - net income	4,919,795	5,039,905	(120,110)
Oil and gas resource revenue	4,360,791	10,196,184	(5,835,393)
Aviation operations	809,019	749,940	59,079
Management fee	346,500	-	346,500
Gain on sale of lots	185,417	224,367	(38,950)
	10,621,522	16,210,396	(5,588,874)
	$ 73,389,797	**$ 86,218,467**	**$ (12,828,670)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Community and Transportation Services					
Highways information signs/permits	$ 3,000	$ -	$ 3,000	$ 1,510	$ 1,490
Aviation operations	753,000	-	753,000	809,019	(56,019)
Motor Transport Board fees	9,000	-	9,000	6,593	2,407
Private vehicle licences	875,000	-	875,000	871,606	3,394
Commercial vehicle licences	1,614,000	-	1,614,000	1,639,747	(25,747)
Miscellaneous motor vehicle revenues	170,000	-	170,000	197,450	(27,450)
Weigh station fees	66,000	-	66,000	65,978	22
Lands					
- administration/interest	15,000	-	15,000	2,593	12,407
- land sale fees	35,000	-	35,000	18,310	16,690
- land leases	75,000	-	75,000	78,628	(3,628)
Interest on local improvement	190,000	-	190,000	95,706	94,294
General property tax	2,150,000	-	2,150,000	2,074,464	75,536
Grant in lieu of property tax	225,000	-	225,000	191,897	33,103
Taxation interest/penalties	-	-	-	156,483	(156,483)
Public safety	234,000	-	234,000	249,653	(15,653)
Property subdivision application fee	7,000	-	7,000	6,000	1,000
Gain on sale of lots	-	-	-	185,417	(185,417)
Management fee	-	-	-	346,500	(346,500)
	6,421,000	**-**	**6,421,000**	**6,997,554**	**(576,554)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Economic Development					
YEAP loan interest	$ 1,000	$ -	$ 1,000	$ 1,233	$ (233)
SEAL loan penalty	1,000	-	1,000	9,543	(8,543)
Business loan interest	117,000	-	117,000	125,779	(8,779)
Loan guarantee fees	2,000	-	2,000	17,298	(15,298)
Sale of maps	5,000	-	5,000	6,207	(1,207)
Oil and gas resource revenue					
- royalties	8,987,000	-	8,987,000	4,350,000	4,637,000
- rentals	13,000	-	13,000	9,491	3,509
- administration fees	-	-	-	1,300	(1,300)
	9,126,000	**-**	**9,126,000**	**4,520,851**	**4,605,149**
Education					
Extension programs fees	24,000	-	24,000	5,195	18,805
Summer school fees	10,000	-	10,000	12,375	(2,375)
Adult French class fees	10,000	-	10,000	15,620	(5,620)
Computer camp fees	10,000	-	10,000	8,232	1,768
Apprenticeship certification	1,000	-	1,000	1,328	(328)
Library fines	11,000	-	11,000	8,000	3,000
Access to Information and Protection of Privacy fees	1,000	-	1,000	12,362	(11,362)
Rental of equipment	3,000	-	3,000	2,200	800
Photocopier fees	13,000	-	13,000	7,474	5,526
Sale of photographs	6,000	-	6,000	6,033	(33)
	89,000	**-**	**89,000**	**78,819**	**10,181**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Finance					
Operating grant	$ 332,591,000	$ 12,010,000	$ 344,601,000	$ 348,645,700	$ (4,044,700)
Canada health and social transfer	20,070,000	-	20,070,000	25,830,574	(5,760,574)
Personal income tax	28,985,000	-	28,985,000	32,816,411	(3,831,411)
Corporate income tax	9,711,000	-	9,711,000	5,263,578	4,447,422
Fuel oil tax - diesel	2,389,000	-	2,389,000	2,711,524	(322,524)
Fuel oil tax - other	4,049,000	(224,000)	3,825,000	4,008,879	(183,879)
Insurance premium tax	872,000	53,000	925,000	1,061,841	(136,841)
Tobacco tax	5,577,000	-	5,577,000	5,146,152	430,848
Banking and investment	825,000	51,000	876,000	940,370	(64,370)
Interest on accounts receivable	10,000	-	10,000	12,923	(2,923)
Exchange	4,000	-	4,000	20,151	(16,151)
Miscellaneous revenue	22,000	-	22,000	23,928	(1,928)
	405,105,000	**11,890,000**	**416,995,000**	**426,482,031**	**(9,487,031)**
Health and Social Services					
Registration and fees	34,000	-	34,000	32,995	1,005
Environmental health - inspection/permits	25,000	-	25,000	8,600	16,400
	59,000	**-**	**59,000**	**41,595**	**17,405**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Justice					
Fines - Territorial Court	$ 370,000	$ -	$ 370,000	$ 260,147	$ 109,853
Sheriff's office	50,000	-	50,000	22,009	27,991
Professional/consumer licensing	161,000	-	161,000	226,467	(65,467)
Business/corporate licensing	725,000	-	725,000	838,540	(113,540)
Public Administrator fees	2,000	-	2,000	2,471	(471)
Land titles fees	100,000	-	100,000	129,241	(29,241)
Labour services	-	-	-	2,746	(2,746)
	1,408,000	**-**	**1,408,000**	**1,481,621**	**(73,621)**
Renewable Resources					
Campground permits	210,000	-	210,000	193,597	16,403
Wilderness tourism licensing	8,000	-	8,000	10,320	(2,320)
Hunting licenses and seals	322,000	-	322,000	325,509	(3,509)
Trapping and fur licenses	6,000	-	6,000	3,846	2,154
Fishing licenses	250,000	-	250,000	241,870	8,130
Land application and grazing lease fees	3,000	-	3,000	3,761	(761)
Outfitting fees	10,000	-	10,000	6,129	3,871
	809,000	**-**	**809,000**	**785,032**	**23,968**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 2

Schedule of Revenues by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Revenues	Under (Over) Estimates
Tourism					
Vacation guide advertising revenue	$ 140,000	$ -	$ 140,000	$ 146,714	$ (6,714)
Yukon Beringia Interpretive Centre	80,000	-	80,000	72,224	7,776
	220,000	**-**	**220,000**	**218,938**	**1,062**
Yukon Liquor Corporation					
Corporate net income	4,945,000	(300,000)	4,645,000	4,919,795	(274,795)
Liquor tax	2,220,000	-	2,220,000	2,339,835	(119,835)
	7,165,000	**(300,000)**	**6,865,000**	**7,259,630**	**(394,630)**
Totals	**$ 430,402,000**	**$ 11,590,000**	**$ 441,992,000**	**$ 447,866,071**	**$ (5,874,071)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Office of the Ombudsman			
Operations and maintenance			
Third party recoveries (S.11 Ombudsman Act)	**$ (952)**	**$ 3,060**	**$ (4,012)**
Executive Council Office			
Operations and maintenance			
Land claims implementation - Canada	1,248,828	1,240,020	8,808
Intergovernmental relations - Canada	-	413,179	(413,179)
First Nations relations - Canadian Heritage	1,102,027	1,091,864	10,163
	2,350,855	**2,745,063**	**(394,208)**
Capital			
First Nations relations - Canadian Heritage	**-**	**5,359**	**(5,359)**
Community and Transportation Services			
Operations and maintenance			
Emergency measures	122,000	129,921	(7,921)
Multi-departmental mobile radio system	90,980	89,618	1,362
Highways employee housing	20,877	25,426	(4,549)
Recoverable services - transportation	324,449	191,037	133,412
Airports	1,390,513	1,285,029	105,484
Weigh stations	134,140	138,789	(4,649)
Motor vehicles	3,862	2,198	1,664
Community assessments	323,922	294,415	29,507
Community recreation/active living	79,010	68,600	10,410
Sport	292,584	328,970	(36,386)
Water and sewer services	248,220	232,814	15,406
Mosquito control	21,829	21,796	33
	3,052,386	**2,808,613**	**243,773**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Community and Transportation Services			
Capital			
Emergency measures	$ 64,792	$ -	$ 64,792
Alaska Highway - Shakwak	19,277,131	22,134,916	(2,857,785)
Airports			
- City of Whitehorse	91,777	598,106	(506,329)
- Dawson City airport	1,574,407	13,220	1,561,187
- Transport Canada - other surveys	(4,370)	7,870	(12,240)
Land development cost recovery	3,005,929	2,295,146	710,783
Rural electrification and telephone	180,230	209,094	(28,864)
Canada/Yukon infrastructure agreement	268,320	-	268,320
Road/streets upgrade	705,000	-	705,000
Office furniture, equipment, systems and space	-	194,622	(194,622)
Special projects - telecommunications infrastructure development	-	7,442	(7,442)
Insurance settlement - highways	-	59,323	(59,323)
	25,163,216	25,519,739	(356,523)
Less: Land recoveries transferred to land held for sale	3,005,929	2,295,146	710,783
Local improvement recoveries transferred to loans receivable	175,201	209,094	(33,893)
	21,982,086	**23,015,499**	**(1,033,413)**
Economic Development			
Operations and maintenance			
Yukon Placer Committee contributions			
- Department of Indian Affairs and Northern Development	18,334	12,607	5,727
- Department of Fisheries and Oceans	18,333	12,607	5,726
	36,667	**25,214**	**11,453**
Capital			
Geological surveys	945,230	767,478	177,752
Yukon Development Corporation			
- district heating feasibility study	-	42,137	(42,137)
	945,230	**809,615**	**135,615**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Education			
Operations and maintenance			
Student information and assessments	$ 3,580	$ -	$ 3,580
Student accommodation	111,188	122,850	(11,662)
Staff accommodation rental	5,706	5,573	133
Canadian Heritage - French language programs	1,004,085	1,007,385	(3,300)
Council of Ministers of Education of Canada agreement - monitors	157,658	160,742	(3,084)
Stikine students	134,800	213,000	(78,200)
Yukon Teachers' Association - substitute teachers	41,212	41,356	(144)
Grass roots	14,056	15,000	(944)
Charles R. Bronfman Foundation Heritage	2,464	2,450	14
Human Resources Development Canada	767,970	732,070	35,900
Student financial assistance			
- Canada student loan administration	43,552	41,000	2,552
- Millennium scholarship fund	40,000	40,000	-
- Canada study grants	68,486	60,760	7,726
Author readings	5,300	4,000	1,300
Human Resources Development Canada			
- National Literacy Secretariat	65,000	65,000	-
Writer in residence program	10,000	-	10,000
Canadian National Marsville	-	5,100	(5,100)
	2,475,057	**2,516,286**	**(41,229)**
Capital			
Community training fund	388,084	228,586	159,498
Mayo Community School	64,000	480,000	(416,000)
Gates Foundation gift	1,438	170,767	(169,329)
Special investment fund	137,202	-	137,202
Jack Hulland School fire repairs	20,000	-	20,000
	610,724	**879,353**	**(268,629)**
Finance			
Operations and maintenance			
Workers' Compensation Health and Safety Board payroll	6,000	6,000	-
Credit card usage incentive	-	10,573	(10,573)
	6,000	**16,573**	**(10,573)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Government Services			
Operations and maintenance			
Deposit forfeitures	$ 1,800	$ 1,000	$ 800
Corporation central facility processing cost	93,000	93,000	-
PC maintenance	6,500	6,500	-
Application support	22,416	17,262	5,154
Service agreements	196,550	188,870	7,680
Queen's Printer subscriptions	47,754	41,166	6,588
Travel agent processing	8,337	4,703	3,634
French language services - Canadian Heritage	1,456,000	1,608,000	(152,000)
Service access sites	80,000	-	80,000
	1,912,357	**1,960,501**	**(48,144)**
Capital			
Sale of government surplus equipment	45,522	32,615	12,907
Project management services	1,594,706	201,484	1,393,222
French language services - office furniture, equipment and systems	14,000	-	14,000
Service agreements	4,876	-	4,876
Community access program	104,519	100,000	4,519
French language services - Canadian Heritage	-	816,000	(816,000)
	1,763,623	**1,150,099**	**613,524**
Health and Social Services			
Operations and maintenance			
Young offenders agreement	1,039,088	1,018,714	20,374
Child welfare - Department of Indian Affairs and Northern Development (DIAND)	5,931,811	5,628,521	303,290
Prior year recoveries - child welfare - DIAND	-	1,206,779	(1,206,779)
Federal child benefit	325,767	299,101	26,666
Family and children's services - client recovery	511	1,250	(739)
Transition home - DIAND	463,196	327,694	135,502
Dawson shelter - DIAND	435	4,349	(3,914)
Youth criminal justice - cost sharing agreement	461,985	255,661	206,324
Social services - DIAND	560,998	550,269	10,729
Home care - DIAND	78,798	70,682	8,116
Home care - Dawson - DIAND	15,728	16,301	(573)
Social services - client recovery	43,535	54,406	(10,871)
Yukon child benefit - DIAND	240,000	239,700	300

GOVERNMENT OF THE YUKON TERRITORY

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Health and Social Services			
Operations and maintenance (continued)			
Thomson Centre			
- Yukon Housing Corporation	$ 449,398	$ 434,458	$ 14,940
- per diems	229,488	225,151	4,337
- DIAND	990,029	1,000,000	(9,971)
- adult day program	2,930	4,620	(1,690)
- prior year recoveries - Health Canada	71,400	-	71,400
Macaulay Lodge			
- DIAND	449,995	504,942	(54,947)
- residents	236,160	242,838	(6,678)
McDonald Lodge			
- DIAND	242,120	229,147	12,973
- residents	43,243	52,986	(9,743)
National diabetes surveillance system	26,619	22,783	3,836
Third party			
- medical care	31,214	21,268	9,946
- hospital care	101,109	59,524	41,585
- medical travel	29,023	103,817	(74,794)
- ambulance	36,235	41,790	(5,555)
Emergency travel recoveries			
- non-insured health benefits medical travel	809,006	706,299	102,707
- non-residents medical travel	107,416	85,294	22,122
Reciprocal billing	1,154,551	1,345,628	(191,077)
Environmental health foodsafe course	350	2,567	(2,217)
Whitehorse Health Centre vaccines	52,418	49,995	2,423
Communication aids	305,180	146,016	159,164
Hearing assessments	35,845	19,157	16,688
Community nursing			
- patient services	332,970	306,166	26,804
- drug recoveries	25,991	32,963	(6,972)
- Lower Post recoveries	26,367	26,367	-
- rent/utility recoveries	171,723	143,233	28,490
- dietary recoveries	1,074	1,675	(601)
Prairie Northern FAS Partnership Conference	23,646	-	23,646
Hep C costs - Health Canada	100,000	-	100,000
Other prior year recoveries	6,515	-	6,515
Healthy families	-	9,084	(9,084)
Miscellaneous recoveries	79	342	(263)
	15,253,946	**15,491,537**	**(237,591)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Health and Social Services			
Capital			
Thomson Centre - equipment	$ 78,441	$ -	$ 78,441
Macaulay Lodge - equipment	100,000	-	100,000
Dental health services - equipment	20,000	-	20,000
Hearing services - equipment	30,000	-	30,000
Whitehorse Health Centre - equipment	7,000	-	7,000
Communicable disease unit - equipment	5,000	-	5,000
Ambulance unit - equipment	25,000	-	25,000
Ambulance unit - vehicle replacement	276,000	-	276,000
Community nursing - equipment and facilities	235,722	-	235,722
Continuing care - new facility	64,000	-	64,000
Yukon Hospital Corporation - CT scan	200,000	-	200,000
Yukon Telehealth network	308,956	-	308,956
Systems development	-	4,050	(4,050)
Continuing care new facility - Yukon Development Corporation	-	8,500	(8,500)
	1,350,119	**12,550**	**1,337,569**
Justice			
Operations and maintenance			
Worker advocate	309,943	229,863	80,080
Child support guidelines	101,838	224,477	(122,639)
Legal aid	151,908	426,642	(274,734)
Native courtworkers program	146,350	136,108	10,242
Yukon Public Legal Education Association	70,000	70,000	-
Institutional facilities	(23,103)	48,348	(71,451)
Parole supervision	52,000	-	52,000
Self-government agreements	20,000	55,504	(35,504)
Family violence recovery	6,900	-	6,900
Domestic violence outreach worker	50,000	8,062	41,938
Victims coordinator	28,800	9,800	19,000
Video conferencing funding	-	51,892	(51,892)
Maintenance enforcement program client survey	-	3,900	(3,900)
	914,636	**1,264,596**	**(349,960)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Justice			
Capital			
Maintenance enforcement system	**$ 56,080**	**$ 17,500**	**$ 38,580**
Public Service Commission			
Operations and maintenance			
Staff development administration	**22,635**	**26,526**	**(3,891)**
Renewable Resources			
Operations and maintenance			
Province of British Columbia	1,500	1,500	-
Conservation Action Team	1,450	2,200	(750)
Agriculture Canada	2,500	2,500	-
Agriculture conference	1,575	-	1,575
Master gardener courses	2,375	1,455	920
Inuvialuit Final Agreement	753,505	761,641	(8,136)
Forage crop losses	114,345	-	114,345
Agriculture ministers' conference	54,670	-	54,670
Freshwater fisheries cooperation agreement	20,000	-	20,000
Porcupine caribou herd monitoring	765	-	765
Parks Canada - Nahanni caribou survey	10,000	-	10,000
Fur Institute of Canada - trapper meetings	5,000	-	5,000
Selkirk First Nation - moose survey	9,666	30,000	(20,334)
Environment Canada			
- air pollution monitoring station renovations	4,923	-	4,923
Agriculture Canada - marketing education	5,413	-	5,413
Ross River game guardian	2,500	2,500	-
Colorado lynx project - Government of Colorado	-	6,470	(6,470)
Mayo Lake fisheries assessment			
- Yukon Energy Corporation	-	5,000	(5,000)
Timber harvest agreement			
- Department of Indian Affairs and Northern Development (DIAND)	-	7,806	(7,806)
Aasman Design Inc.	3,337	5,140	(1,803)
Goat survey - British Columbia Parks	-	3,218	(3,218)
Yukon Game Farm	-	1,201	(1,201)

GOVERNMENT OF THE YUKON TERRITORY

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Renewable Resources			
Operations and maintenance (continued)			
Radio collars			
- Parks Canada	$ -	$ 3,500	$ (3,500)
- Canadian Wildlife Service	-	3,950	(3,950)
Sundry	-	533	(533)
	993,524	**838,614**	**154,910**
Capital			
Special waste collection	2,966	36,936	(33,970)
Agricultural land development	16,089	15,485	604
Inuvialuit Final Agreement	18,000	-	18,000
Global warming/climate change analysis	-	47,181	(47,181)
Tatshenshini River - Parks Canada	-	10,000	(10,000)
Mackenzie River Basin meeting	-	1,838	(1,838)
	37,055	111,440	(74,385)
Less land recoveries transferred to land held for sale	15,756	15,298	458
	21,299	**96,142**	**(74,843)**
Tourism			
Operations and maintenance			
Yukon Lotteries Commission	180,000	240,000	(60,000)
Carcross walking tour brochure	4,000	-	4,000
Scenic by-ways project	87,930	-	87,930
Co-operative United States small advertising	52,500	-	52,500
City of Whitehorse information kiosk	15,000	-	15,000
Joint Yukon Alaska marketing program	173,800	-	173,800
	513,230	**240,000**	**273,230**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 3

Comparative Schedule of Recoveries
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Tourism			
Capital			
Artifact inventory and cataloguing	$ 52,000	$ 29,500	$ 22,500
Conservation and security	10,800	-	10,800
Product and resource assessment	40,000	-	40,000
	102,800	**29,500**	**73,300**
Interest			
Operations and maintenance			
Interest	**785,026**	**902,219**	**(117,193)**
Totals			
Operations and maintenance	28,315,367	28,838,802	(523,435)
Capital	30,028,847	28,535,155	1,493,692
	58,344,214	57,373,957	970,257
Less: Land recoveries transferred to land held for sale	3,021,685	2,310,444	711,241
Local improvement recoveries transferred to loans receivable	175,201	209,094	(33,893)
	$ 55,147,328	**$ 54,854,419**	**$ 292,909**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Office of the Ombudsman					
Operations and maintenance					
Third party recoveries (S.11 Ombudsman Act)	$ -	$ -	$ -	$ (952)	$ 952
Executive Council Office					
Operations and maintenance					
Land claims implementation - Canada	2,622,000	-	2,622,000	1,248,828	1,373,172
Intergovernmental relations - Canada	1,000,000	-	1,000,000	-	1,000,000
First Nations relations - Canadian Heritage	1,100,000	-	1,100,000	1,102,027	(2,027)
	4,722,000	**-**	**4,722,000**	**2,350,855**	**2,371,145**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Recoveries by Department
for the year ended March 31, 2002

Schedule 4

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Community and Transportation Services					
Operations and maintenance	$ 122,000	$ -	$ 122,000	$ 122,000	$ -
Emergency measures	87,000	-	87,000	90,980	(3,980)
Multi-departmental mobile radio system	24,000	-	24,000	20,877	3,123
Highways employee housing	274,000	-	274,000	324,449	(50,449)
Recoverable services - transportation	1,350,000	-	1,350,000	1,390,513	(40,513)
Airports	145,000	-	145,000	134,140	10,860
Weigh stations	3,000	-	3,000	3,862	(862)
Motor vehicles	302,000	-	302,000	323,922	(21,922)
Community assessments	64,000	14,000	78,000	79,010	(1,010)
Community recreation/active living	280,000	56,000	336,000	292,584	43,416
Sport	212,000	-	212,000	248,220	(36,220)
Water and sewer services	24,000	-	24,000	21,829	2,171
Mosquito control	**2,887,000**	**70,000**	**2,957,000**	**3,052,386**	**(95,386)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Recoveries by Department
for the year ended March 31, 2002

Schedule 4

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Community and Transportation Services					
Capital					
Emergency measures	$ 39,000	$ -	$ 39,000	$ 64,792	$ (25,792)
Alaska Highway - Shakwak	23,500,000	-	23,500,000	19,277,131	4,222,869
Airports - City of Whitehorse	50,000	404,000	454,000	91,777	362,223
Land development cost recovery	3,620,000	1,433,000	5,053,000	3,005,929	2,047,071
Miscellaneous projects - recoverable	10,000	-	10,000	-	10,000
Rural electrification and telephone	150,000	155,000	305,000	180,230	124,770
Airports - Dawson City airport	-	4,969,000	4,969,000	1,574,407	3,394,593
Airports - prior year adjustment - Transport Canada	-	(4,000)	(4,000)	(4,370)	370
Canada/Yukon infrastructure agreement	-	300,000	300,000	268,320	31,680
Road/streets upgrade	-	705,000	705,000	705,000	-
	27,369,000	**7,962,000**	**35,331,000**	25,163,216	**10,167,784**
Less: Land recoveries transferred to land held for sale				3,005,929	
Local improvement recoveries transferred to loans receivable				175,201	
				21,982,086	

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Economic Development					
Operations and maintenance					
Department of Indian Affairs and Northern Development	$ 13,000	$ -	$ 13,000	$ 18,334	$ (5,334)
Department of Fisheries and Oceans	13,000	-	13,000	18,333	(5,333)
Investment readiness workshop	2,000	-	2,000	-	2,000
	28,000	**-**	**28,000**	**36,667**	**(8,667)**
Capital					
Loan guarantee contingency	250,000	-	250,000	-	250,000
Geological surveys	680,000	142,000	822,000	945,230	(123,230)
Regional mineral development program	276,000	(276,000)	-	-	-
	1,206,000	**(134,000)**	**1,072,000**	**945,230**	**126,770**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Education					
Operations and maintenance					
Student information and assessments	$ 9,000	$ -	$ 9,000	$ 3,580	$ 5,420
Student accommodation	120,000	-	120,000	111,188	8,812
Staff accommodation rental	5,000	-	5,000	5,706	(706)
Canadian Heritage - French language programs	1,004,000	-	1,004,000	1,004,085	(85)
Council of Ministers of Education of Canada agreement - monitors	162,000	-	162,000	157,658	4,342
Stikine students	233,000	-	233,000	134,800	98,200
Yukon Teachers' Association - substitute teachers	35,000	-	35,000	41,212	(6,212)
Grass roots	15,000	-	15,000	14,056	944
Canadian National Marsville	5,000	-	5,000	-	5,000
Charles R. Bronfman Foundation Heritage	2,000	-	2,000	2,464	(464)
Human Resources Development Canada	700,000	-	700,000	767,970	(67,970)
Student financial assistance					
- Canada student loan administration	41,000	-	41,000	43,552	(2,552)
- Millennium scholarship fund	40,000	-	40,000	40,000	-
- Canada study grants	28,000	-	28,000	68,486	(40,486)
Author readings	4,000	1,000	5,000	5,300	(300)
Human Resources Development Canada					
- National Literacy Secretariat	-	65,000	65,000	65,000	-
Writer in residence program	-	10,000	10,000	10,000	-
	2,403,000	**76,000**	**2,479,000**	**2,475,057**	**3,943**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Education					
Capital					
Community training fund	$ 300,000	$ -	$ 300,000	$ 388,084	$ (88,084)
Mayo Community School	-	64,000	64,000	64,000	-
Special investment fund	-	148,000	148,000	137,202	10,798
Gates Foundation gift	-	49,000	49,000	1,438	47,562
Jack Hulland School fire repairs	-	-	-	20,000	(20,000)
	300,000	**261,000**	**561,000**	**610,724**	**(49,724)**
Finance					
Operations and maintenance					
Workers' Compensation Health and Safety Board payroll	6,000	-	6,000	6,000	-
Credit card usage incentive	10,000	-	10,000	-	10,000
	16,000	**-**	**16,000**	**6,000**	**10,000**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Government Services					
Operations and maintenance					
Deposit forfeitures	$ 1,000	$ -	$ 1,000	$ 1,800	$ (800)
Corporation central facility processing cost	95,000	(2,000)	93,000	93,000	-
PC maintenance	13,000	(6,000)	7,000	6,500	500
Application support	26,000	(4,000)	22,000	22,416	(416)
Service agreements	240,000	(30,000)	210,000	196,550	13,450
Queen's Printer subscriptions	65,000	-	65,000	47,754	17,246
Travel agent processing	3,000	5,000	8,000	8,337	(337)
French language services - Canadian Heritage	1,608,000	(152,000)	1,456,000	1,456,000	-
Service access sites	-	80,000	80,000	80,000	-
	2,051,000	**(109,000)**	**1,942,000**	**1,912,357**	**29,643**
Capital					
Sale of government surplus equipment	75,000	-	75,000	45,522	29,478
Project management services	1,000,000	-	1,000,000	1,594,706	(594,706)
French language services					
- office furniture, equipment and systems	6,000	8,000	14,000	14,000	-
Service agreements	-	5,000	5,000	4,876	124
Community access program	-	104,000	104,000	104,519	(519)
	1,081,000	**117,000**	**1,198,000**	**1,763,623**	**(565,623)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Health and Social Services					
Operations and maintenance					
Young offenders agreement	$ 1,039,000	$ -	$ 1,039,000	$ 1,039,088	$ (88)
Child welfare - Department of Indian Affairs and Northern Development (DIAND)	5,326,000	50,000	5,376,000	5,931,811	(555,811)
Federal child benefit	204,000	19,000	223,000	325,767	(102,767)
Family and children's services - client recovery	4,000	-	4,000	511	3,489
Transition home - DIAND	228,000	-	228,000	463,196	(235,196)
Dawson shelter - DIAND	21,000	-	21,000	435	20,565
Youth Achievement Centre	3,000	-	3,000	-	3,000
Youth criminal justice - cost sharing agreement	280,000	145,000	425,000	461,985	(36,985)
Social services - DIAND	650,000	-	650,000	560,998	89,002
Home care - DIAND	100,000	-	100,000	78,798	21,202
Home care - Dawson - DIAND	10,000	-	10,000	15,728	(5,728)
Social services - client recovery	50,000	-	50,000	43,535	6,465
Yukon child benefit - DIAND	240,000	-	240,000	240,000	-
Thomson Centre					
- Yukon Housing Corporation	430,000	-	430,000	449,398	(19,398)
- per diems	180,000	-	180,000	229,488	(49,488)
- DIAND	1,000,000	-	1,000,000	990,029	9,971
- adult day program	13,000	-	13,000	2,930	10,070
- prior year recoveries - Health Canada	-	-	-	71,400	(71,400)
Macaulay Lodge					
- DIAND	800,000	-	800,000	449,995	350,005
- residents	230,000	-	230,000	236,160	(6,160)
McDonald Lodge					
- DIAND	250,000	-	250,000	242,120	7,880
- residents	60,000	-	60,000	43,243	16,757

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Health and Social Services					
Operations and maintenance (continued)					
National diabetes surveillance survey	$ 90,000	$ -	$ 90,000	$ 26,619	$ 63,381
Third party					
- medical care	25,000	-	25,000	31,214	(6,214)
- hospital care	65,000	35,000	100,000	101,109	(1,109)
- medical travel	75,000	-	75,000	29,023	45,977
- ambulance	25,000	20,000	45,000	36,235	8,765
Emergency travel recoveries					
- non-insured health benefits medical travel	315,000	410,000	725,000	809,006	(84,006)
- non-residents medical travel	100,000	-	100,000	107,416	(7,416)
Reciprocal billing	1,345,000	30,000	1,375,000	1,154,551	220,449
Environmental health foodsafe course	2,000	-	2,000	350	1,650
Whitehorse Health Centre vaccines	40,000	10,000	50,000	52,418	(2,418)
Communication aids	170,000	-	170,000	305,180	(135,180)
Hearing assessments	30,000	-	30,000	35,845	(5,845)
Community nursing					
- patient services	350,000	-	350,000	332,970	17,030
- drug recoveries	39,000	-	39,000	25,991	13,009
- Lower Post recovery	22,000	-	22,000	26,367	(4,367)
- rent/utility recoveries	157,000	-	157,000	171,723	(14,723)
- dietary recoveries	2,000	-	2,000	1,074	926
Prairie Northern FAS Partnership Conference	-	100,000	100,000	23,646	76,354
Hep C costs - Health Canada	-	-	-	100,000	(100,000)
Other prior year recoveries	-	-	-	6,515	(6,515)
Miscellaneous recoveries	-	-	-	79	(79)
	13,970,000	**819,000**	**14,789,000**	**15,253,946**	**(464,946)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Recoveries by Department
for the year ended March 31, 2002

Schedule 4

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Health and Social Services					
Capital					
Thomson Centre - equipment	$ 100,000	$ -	$ 100,000	$ 78,441	$ 21,559
Macaulay Lodge - equipment	100,000	-	100,000	100,000	-
Yukon Hospital Corporation - equipment	200,000	(200,000)	-	-	-
Dental health services - equipment	20,000	-	20,000	20,000	-
Hearing services - equipment	30,000	-	30,000	30,000	-
Whitehorse Health Centre - equipment	7,000	-	7,000	7,000	-
Communicable disease unit - equipment	5,000	-	5,000	5,000	-
Ambulance unit - equipment	25,000	-	25,000	25,000	-
Ambulance unit - vehicle replacement	276,000	-	276,000	276,000	-
Community nursing - equipment and facilities	237,000	-	237,000	235,722	1,278
Continuing care - new facility	-	80,000	80,000	64,000	16,000
Yukon Hospital Corporation - CT scan	-	200,000	200,000	200,000	-
Yukon Telehealth network	-	350,000	350,000	308,956	41,044
	1,000,000	**430,000**	**1,430,000**	**1,350,119**	**79,881**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Justice					
Operations and maintenance					
Worker advocate	$ 305,000	$ -	$ 305,000	$ 309,943	$ (4,943)
Child support guidelines	98,000	-	98,000	101,838	(3,838)
Legal aid	435,000	-	435,000	151,908	283,092
Native courtworkers program	171,000	-	171,000	146,350	24,650
Yukon Public Legal Education Association	70,000	-	70,000	70,000	-
Yukon Utilities Board hearings	100,000	800,000	900,000	-	900,000
Institutional facilities	55,000	-	55,000	(23,103)	78,103
Parole supervision	41,000	-	41,000	52,000	(11,000)
Self-government agreements	-	60,000	60,000	20,000	40,000
Family violence recovery	-	-	-	6,900	(6,900)
Domestic violence outreach worker	-	-	-	50,000	(50,000)
Victims coordinator	-	-	-	28,800	(28,800)
	1,275,000	**860,000**	**2,135,000**	**914,636**	**1,220,364**
Capital					
Maintenance enforcement system	**53,000**	**-**	**53,000**	**56,080**	**(3,080)**
Public Service Commission					
Operations and maintenance					
Staff development administration	**45,000**	**-**	**45,000**	**22,635**	**22,365**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Renewable Resources					
Operations and maintenance					
Province of British Columbia	$ 2,000	$ -	$ 2,000	$ 1,500	$ 500
Conservation Action Team	2,000	-	2,000	1,450	550
Agriculture Canada	3,000	-	3,000	2,500	500
Agriculture conference	2,000	-	2,000	1,575	425
Master gardener course	2,000	-	2,000	2,375	(375)
Inuvialuit Final Agreement	762,000	10,000	772,000	753,505	18,495
Forage crop losses	-	113,000	113,000	114,345	(1,345)
Agriculture ministers' conference	-	56,000	56,000	54,670	1,330
Freshwater fisheries cooperation agreement	-	20,000	20,000	20,000	-
Porcupine caribou herd monitoring	-	14,000	14,000	765	13,235
Parks Canada - Nahanni caribou survey	-	10,000	10,000	10,000	-
Fur Institute of Canada - trapper meetings	-	5,000	5,000	5,000	-
Selkirk First Nation - moose survey	-	10,000	10,000	9,666	334
Environment Canada					
- Forum Francophone International Planet'ERE 2	-	3,000	3,000	-	3,000
- air pollution monitoring station renovations	-	5,000	5,000	4,923	77
Agriculture Canada - marketing education	-	5,000	5,000	5,413	(413)
Ross River game guardian	-	-	-	2,500	(2,500)
Aasman Design Inc.	-	-	-	3,337	(3,337)
	773,000	**251,000**	**1,024,000**	**993,524**	**30,476**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Renewable Resources					
Capital					
Special waste collection	$ 64,000	$ -	$ 64,000	$ 2,966	$ 61,034
Agricultural land development	155,000	-	155,000	16,089	138,911
Inuvialuit Final Agreement	-	-	-	18,000	(18,000)
	219,000	**-**	**219,000**	37,055	**181,945**
Less land recoveries transferred to land held for sale				15,756	
				21,299	

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Tourism					
Operations and maintenance					
Yukon Lotteries Commission	$ 240,000	$ -	$ 240,000	$ 180,000	$ 60,000
Carcross walking tour brochure	-	4,000	4,000	4,000	-
Scenic by-ways project	-	87,000	87,000	87,930	(930)
Co-operative United States small advertising	-	53,000	53,000	52,500	500
City of Whitehorse information kiosk	-	15,000	15,000	15,000	-
Joint Yukon Alaska marketing program	-	-	-	173,800	(173,800)
	240,000	**159,000**	**399,000**	**513,230**	**(114,230)**
Capital					
Artifact inventory and cataloguing	-	52,000	52,000	52,000	-
Conservation and security	-	11,000	11,000	10,800	200
Product and resource assessment	-	40,000	40,000	40,000	-
	-	**103,000**	**103,000**	**102,800**	**200**
Interest					
Operations and maintenance					
Interest	**899,000**	**(116,000)**	**783,000**	**785,026**	**(2,026)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 4

Schedule of Recoveries by Department
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Revised Estimates	Actual Recoveries	Under (Over) Estimates
Totals					
Operations and maintenance	$ 29,309,000	$ 2,010,000	$ 31,319,000	$ 28,315,367	$ 3,003,633
Capital	31,228,000	8,739,000	39,967,000	30,028,847	9,938,153
	$ 60,537,000	**$ 10,749,000**	**$ 71,286,000**	58,344,214	**$ 12,941,786**
Less: Land recoveries transferred to land held for sale				3,021,685	
Local improvement recoveries transferred to loans receivable				175,201	
				$ 55,147,328	

GOVERNMENT OF THE YUKON TERRITORY

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Yukon Legislative Assembly			
Operations and maintenance			
Legislative services	$ 1,838,791	$ 1,744,245	$ 94,546
Legislative Assembly Office	398,213	455,905	(57,692)
Retirement allowances and death benefits	480,232	443,444	36,788
Hansard	344,388	406,314	(61,926)
Conflicts Commission	86,315	26,023	60,292
	3,147,939	**3,075,931**	**72,008**
Capital			
Legislative Assembly Office	**8,631**	**19,053**	**(10,422)**
Elections Office			
Operations and maintenance			
Elections	**306,737**	**471,092**	**(164,355)**
Capital			
Elections	**1,999**	**2,550**	**(551)**
Office of the Ombudsman			
Operations and maintenance			
Office of the Ombudsman	**328,120**	**318,483**	**9,637**
Capital			
Office of the Ombudsman	**4,993**	**4,614**	**379**

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GOVERNMENT OF THE YUKON TERRITORY

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Executive Council Office			
Operations and maintenance			
Cabinet and management support	$ 1,275,094	$ 1,117,205	$ 157,889
Land Claims and Implementation Secretariat	4,723,915	5,007,644	(283,729)
Intergovernmental relations	787,398	1,563,349	(775,951)
Policy and communications	783,188	901,168	(117,980)
First Nations relations	1,287,843	1,094,070	193,773
Government audit services	242,894	108,862	134,032
Bureau of Statistics	654,920	644,263	10,657
Office of the Commissioner	127,816	129,522	(1,706)
Cabinet Offices	1,515,082	1,814,241	(299,159)
	11,398,150	**12,380,324**	**(982,174)**
Capital			
Cabinet and management support	1,354,613	61,066	1,293,547
Land Claims and Implementation Secretariat	282,047	213,307	68,740
First Nations relations	-	5,359	(5,359)
	1,636,660	**279,732**	**1,356,928**
Community and Transportation Services			
Operations and maintenance			
Office of the Deputy Minister	1,206,013	905,205	300,808
Corporate services	1,886,896	1,630,823	256,073
Transportation	41,669,362	39,104,788	2,564,574
Municipal and community affairs	25,533,092	24,412,411	1,120,681
	70,295,363	**66,053,227**	**4,242,136**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Community and Transportation Services			
Capital			
Office of the Deputy Minister	$ 1,832,105	$ 2,935,392	$ (1,103,287)
Corporate services	265,921	295,505	(29,584)
Transportation	34,697,656	28,748,223	5,949,433
Municipal and community affairs	13,968,566	9,749,868	4,218,698
	50,764,248	41,728,988	9,035,260
Less: Land development costs transferred to land held for sale	2,289,765	2,774,420	(484,655)
Local improvement costs transferred to loans receivable	316,895	706,748	(389,853)
	48,157,588	**38,247,820**	**9,909,768**
Economic Development			
Operations and maintenance			
Corporate services	1,158,956	1,261,801	(102,845)
Mineral and oil and gas resources	1,981,265	2,110,273	(129,008)
Corporate policy	1,928,275	1,759,970	168,305
Trade and investment	1,910,963	1,506,191	404,772
	6,979,459	6,638,235	341,224
Less loans transferred to loans receivable	-	(1,326)	1,326
	6,979,459	**6,639,561**	**339,898**
Capital			
Corporate services	2,069,892	4,185,833	(2,115,941)
Mineral and oil and gas resources	3,402,231	3,222,357	179,874
Corporate policy	-	424,231	(424,231)
Trade and investment	1,448,584	1,613,648	(165,064)
	6,920,707	**9,446,069**	**(2,525,362)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Education			
Operations and maintenance			
Education support services	$ 12,237,451	$ 12,166,478	$ 70,973
Public schools	59,743,911	57,153,071	2,590,840
Advanced education	18,993,359	18,928,720	64,639
Libraries and archives	2,557,693	2,560,476	(2,783)
	93,532,414	**90,808,745**	**2,723,669**
Capital			
Education support services	605,865	521,677	84,188
Public schools	11,488,305	8,055,614	3,432,691
Advanced education	2,906,502	2,575,126	331,376
Libraries and archives	80,537	255,809	(175,272)
	15,081,209	**11,408,226**	**3,672,983**
Finance			
Operations and maintenance			
Treasury	3,856,023	3,811,360	44,663
Workers' compensation supplementary benefits	407,766	423,241	(15,475)
Bad debts expense	131,698	23,337	108,361
	4,395,487	**4,257,938**	**137,549**
Capital			
Treasury	**28,558**	**29,534**	**(976)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Government Services			
Operations and maintenance			
Corporate services	$ 2,532,602	$ 2,586,572	$ (53,970)
Information services	6,056,466	6,221,416	(164,950)
Supply services	2,615,641	2,635,201	(19,560)
Technology and telecommunications	203,417	126,423	76,994
Property management	12,158,969	11,615,542	543,427
French language services	1,649,773	1,757,029	(107,256)
Central Stores write-off	7,290	16,735	(9,445)
	25,224,158	**24,958,918**	**265,240**
Capital			
Corporate services	777,949	931,107	(153,158)
Information services	1,836,246	1,313,169	523,077
Supply services	50,081	59,995	(9,914)
Technology and telecommunications	204,673	512,189	(307,516)
Property management	4,059,760	2,957,050	1,102,710
French language services	13,876	815,848	(801,972)
	6,942,585	**6,589,358**	**353,227**
Health and Social Services			
Operations and maintenance			
Policy, planning and administration	4,043,026	3,817,299	225,727
Family and children's services	26,227,948	24,200,652	2,027,296
Social services	25,546,038	24,618,899	927,139
Health services	69,110,473	64,704,406	4,406,067
Regional services	3,607,005	3,772,157	(165,152)
Alcohol and Drug Secretariat	2,225,246	2,546,510	(321,264)
	130,759,736	123,659,923	7,099,813
Less loan payments transferred to long-term debt	56,832	53,028	3,804
	130,702,904	**123,606,895**	**7,096,009**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Health and Social Services			
Capital			
Policy, planning and administration	$ 176,797	$ 307,322	$ (130,525)
Family and children's services	109,885	252,582	(142,697)
Social services	8,822,602	9,640,165	(817,563)
Health services	3,228,404	844,301	2,384,103
Regional services	5,394	-	5,394
Alcohol and Drug Secretariat	1,660	28,972	(27,312)
	12,344,742	**11,073,342**	**1,271,400**
Justice			
Operations and maintenance			
Management services	2,118,086	2,126,159	(8,073)
Court services	6,273,201	4,503,865	1,769,336
Legal services	3,979,911	3,758,889	221,022
Consumer and commercial services	1,937,243	2,033,235	(95,992)
Community and correctional services	8,803,993	8,494,511	309,482
Crime prevention and policing	13,000,221	12,837,919	162,302
Human rights	511,297	398,171	113,126
	36,623,952	**34,152,749**	**2,471,203**
Capital			
Management services	429,805	376,792	53,013
Community and correctional services	971,593	299,991	671,602
	1,401,398	**676,783**	**724,615**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Public Service Commission			
Operations and maintenance			
Finance and administration	$ 765,531	$ 636,802	$ 128,729
Corporate human resource services	1,282,916	1,251,172	31,744
Pay and benefits management	1,108,733	1,017,843	90,890
Staff relations	834,400	919,560	(85,160)
Workers' compensation fund	2,867,547	2,136,164	731,383
Planning and research	376,066	361,718	14,348
Employee leave and termination benefits adjustment	2,485,094	2,232,368	252,726
Staff development	2,070,068	2,021,410	48,658
	11,790,355	**10,577,037**	**1,213,318**
Capital			
Finance and administration	**34,173**	**17,675**	**16,498**
Renewable Resources			
Operations and maintenance			
Corporate services	1,889,968	1,651,928	238,040
Policy and planning	1,065,910	1,117,042	(51,132)
Resource management	12,227,702	11,625,189	602,513
Land claims	960,055	1,000,240	(40,185)
	16,143,635	**15,394,399**	**749,236**
Capital			
Corporate services	356,159	211,355	144,804
Policy and planning	224,278	111,600	112,678
Resource management	1,000,614	1,315,274	(314,660)
Land claims	23,832	2,204	21,628
	1,604,883	1,640,433	(35,550)
Less land development costs transferred to land held for sale	-	23,967	(23,967)
	1,604,883	**1,616,466**	**(11,583)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Tourism			
Operations and maintenance			
Corporate services	$ 1,652,924	$ 1,506,054	$ 146,870
Heritage	1,406,895	1,287,604	119,291
Industry services	628,269	599,971	28,298
Marketing	6,491,011	5,803,560	687,451
Arts and cultural industries	1,805,448	1,731,848	73,600
	11,984,547	**10,929,037**	**1,055,510**
Capital			
Corporate services	120,090	732,780	(612,690)
Heritage	2,530,735	1,966,908	563,827
Industry services	435,676	177,629	258,047
Marketing	134,420	324,784	(190,364)
Arts and cultural industries	1,146,596	1,271,115	(124,519)
	4,367,517	**4,473,216**	**(105,699)**
Women's Directorate			
Operations and maintenance			
Policy and program development	**577,616**	**506,196**	**71,420**
Capital			
Policy and program development	**4,940**	**-**	**4,940**
Interest on Loans			
Operations and maintenance			
Interest	**378,492**	**385,072**	**(6,580)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 5

Comparative Schedule of Expenditures
for the year ended March 31, 2002

	2002	2001	Increase (Decrease)
Yukon Housing Corporation (Transfer Payment)			
Operations and maintenance Expenditures	**$ 622,449**	**$ 2,722,946**	**$ (2,100,497)**
Capital Expenditures	**1,697,427**	**1,506,819**	**190,608**
Totals			
Operations and maintenance	424,488,609	407,290,252	17,198,357
Capital	102,844,670	88,896,392	13,948,278
	527,333,279	496,186,644	31,146,635
Less: Land development costs transferred to land held for sale	2,289,765	2,798,387	(508,622)
Local improvement costs transferred to loans receivable	316,895	706,748	(389,853)
Loans transferred to loans receivable	-	(1,326)	1,326
Loan payments transferred to long-term debt	56,832	53,028	3,804
	$ 524,669,787	**$ 492,629,807**	**$ 32,039,980**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Yukon Legislative Assembly						
Operations and maintenance						
Legislative services	$ 1,821,000	52,000	$ -	$ 1,873,000	$ 1,838,791	$ 34,209
Legislative Assembly Office	524,000	-	(21,000)	503,000	398,213	104,787
Retirement allowances and death benefits	477,000	8,000	-	485,000	480,232	4,768
Hansard	394,000	-	(48,000)	346,000	344,388	1,612
Conflicts Commission	13,000	-	69,000	82,000	86,315	(4,315)
	3,229,000	**60,000**	**-**	**3,289,000**	**3,147,939**	**141,061**
Capital						
Legislative Assembly Office	**20,000**	**-**	**-**	**20,000**	**8,631**	**11,369**
Elections Office						
Operations and maintenance						
Elections	**232,000**	**91,000**	**-**	**323,000**	**306,737**	**16,263**
Capital						
Elections	**3,000**	**-**	**-**	**3,000**	**1,999**	**1,001**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Office of the Ombudsman						
Operations and maintenance						
Office of the Ombudsman	$ 312,000	$ 23,000	$ -	$ 335,000	$ 328,120	$ 6,880
Capital						
Office of the Ombudsman	5,000	-	-	5,000	4,993	7

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Executive Council Office						
Operations and maintenance						
Cabinet and management support	$ 1,319,000	$ (5,000)	$ -	$ 1,314,000	$ 1,275,094	$ 38,906
Land Claims and Implementation Secretariat	6,227,000	-	-	6,227,000	4,723,915	1,503,085
Intergovernmental relations	1,849,000	-	-	1,849,000	787,398	1,061,602
Policy and communications	890,000	-	-	890,000	783,188	106,812
First Nations relations	1,429,000	(80,000)	-	1,349,000	1,287,843	61,157
Government audit services	344,000	-	-	344,000	242,894	101,106
Bureau of Statistics	731,000	-	-	731,000	654,920	76,080
Office of the Commissioner	141,000	-	-	141,000	127,816	13,184
Cabinet Offices	1,404,000	80,000	-	1,484,000	1,515,082	(31,082)
	14,334,000	**(5,000)**	**-**	**14,329,000**	**11,398,150**	**2,930,850**
Capital						
Land Claims and Implementation Secretariat	390,000	-	-	390,000	282,047	107,953
Cabinet and management support	-	1,645,000	-	1,645,000	1,354,613	290,387
	390,000	**1,645,000**	**-**	**2,035,000**	**1,636,660**	**398,340**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Community and Transportation Services						
Operations and maintenance						
Office of the Deputy Minister	$ 1,005,000	$ -	$ -	$ 1,005,000	$ 1,206,013	$ (201,013)
Corporate services	1,782,000	107,000	-	1,889,000	1,886,896	2,104
Transportation	41,734,000	407,000	-	42,141,000	41,669,362	471,638
Municipal and community affairs	25,244,000	359,000	-	25,603,000	25,533,092	69,908
	69,765,000	**873,000**	**-**	**70,638,000**	**70,295,363**	**342,637**
Capital						
Office of the Deputy Minister	1,842,000	49,000	-	1,891,000	1,832,105	58,895
Corporate services	197,000	56,000	9,000	262,000	265,921	(3,921)
Transportation	32,892,000	10,659,000	31,000	43,582,000	34,697,656	8,884,344
Municipal and community affairs	11,249,000	15,366,000	(40,000)	26,575,000	13,968,566	12,606,434
	46,180,000	**26,130,000**	**-**	**72,310,000**	50,764,248	**21,545,752**
Less: Land development costs transferred to land held for sale					2,289,765	
Local improvement costs transferred to loans receivable					316,895	
					48,157,588	

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Economic Development						
Operations and maintenance						
Corporate services	$ 1,097,000	$ (15,000)	$ 53,000	$ 1,135,000	$ 1,158,956	$ (23,956)
Mineral and oil and gas resources	3,090,000	(706,000)	(168,000)	2,216,000	1,981,265	234,735
Corporate policy	2,068,000	-	(101,000)	1,967,000	1,928,275	38,725
Trade and investment	1,515,000	123,000	216,000	1,854,000	1,910,963	(56,963)
	7,770,000	**(598,000)**	**-**	**7,172,000**	**6,979,459**	**192,541**
Capital						
Corporate services	2,373,000	82,000	(268,000)	2,187,000	2,069,892	117,108
Mineral and oil and gas resources	3,774,000	(259,000)	(63,000)	3,452,000	3,402,231	49,769
Trade and investment	1,050,000	150,000	331,000	1,531,000	1,448,584	82,416
	7,197,000	**(27,000)**	**-**	**7,170,000**	**6,920,707**	**249,293**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Education						
Operations and maintenance						
Education support services	$ 12,556,000	$ (3,000)	$ -	$ 12,553,000	$ 12,237,451	$ 315,549
Public schools	56,540,000	3,109,000	-	59,649,000	59,743,911	(94,911)
Advanced education	18,836,000	140,000	-	18,976,000	18,993,359	(17,359)
Libraries and archives	2,543,000	57,000	-	2,600,000	2,557,693	42,307
	90,475,000	**3,303,000**	**-**	**93,778,000**	**93,532,414**	**245,586**
Capital						
Education support services	539,000	93,000	-	632,000	605,865	26,135
Public schools	8,568,000	6,197,000	(60,000)	14,705,000	11,488,305	3,216,695
Advanced education	2,635,000	675,000	60,000	3,370,000	2,906,502	463,498
Libraries and archives	78,000	50,000	-	128,000	80,537	47,463
	11,820,000	**7,015,000**	**-**	**18,835,000**	**15,081,209**	**3,753,791**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Finance						
Operations and maintenance						
Treasury	$ 3,793,000	$ 102,000	$ -	$ 3,895,000	$ 3,856,023	$ 38,977
Workers' compensation supplementary benefits	382,000	20,000	-	402,000	407,766	(5,766)
Bad debts expense	74,000	74,000	-	148,000	131,698	16,302
	4,249,000	**196,000**	**-**	**4,445,000**	**4,395,487**	**49,513**
Capital						
Treasury	**30,000**	**-**	**-**	**30,000**	**28,558**	**1,442**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Government Services						
Operations and maintenance						
Corporate services	$ 2,373,000	$ 140,000	$ 22,000	$ 2,535,000	$ 2,532,602	$ 2,398
Information services	6,112,000	(42,000)	-	6,070,000	6,056,466	13,534
Supply services	2,605,000	5,000	20,000	2,630,000	2,615,641	14,359
Technology and telecommunications	183,000	-	21,000	204,000	203,417	583
Property management	11,869,000	367,000	(33,000)	12,203,000	12,158,969	44,031
French language services	1,831,000	(152,000)	(30,000)	1,649,000	1,649,773	(773)
Central Stores write-off	-	-	-	-	7,290	(7,290)
	24,973,000	**318,000**	**-**	**25,291,000**	**25,224,158**	**66,842**
Capital						
Corporate services	778,000	-	-	778,000	777,949	51
Information services	1,870,000	286,000	-	2,156,000	1,836,246	319,754
Supply services	50,000	-	-	50,000	50,081	(81)
Technology and telecommunications	300,000	162,000	-	462,000	204,673	257,327
Property management	3,166,000	484,000	-	3,650,000	4,059,760	(409,760)
French language services	6,000	8,000	-	14,000	13,876	124
	6,170,000	**940,000**	**-**	**7,110,000**	**6,942,585**	**167,415**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Health and Social Services						
Operations and maintenance						
Policy, planning and administration	$ 3,948,000	$ 120,000	$ (72,000)	$ 3,996,000	$ 4,043,026	$ (47,026)
Family and children's services	23,558,000	1,837,000	72,000	25,467,000	26,227,948	(760,948)
Social services	25,884,000	627,000	-	26,511,000	25,546,038	964,962
Health services	66,048,000	2,504,000	-	68,552,000	69,110,473	(558,473)
Regional services	4,089,000	4,000	-	4,093,000	3,607,005	485,995
Alcohol and Drug Secretariat	2,362,000	3,000	-	2,365,000	2,225,246	139,754
	125,889,000	**5,095,000**	**-**	**130,984,000**	130,759,736	**224,264**
Less loan payments transferred to long-term debt					56,832	
					130,702,904	
Capital						
Policy, planning and administration	150,000	43,000	-	193,000	176,797	16,203
Family and children's services	150,000	71,000	-	221,000	109,885	111,115
Social services	9,335,000	579,000	-	9,914,000	8,822,602	1,091,398
Health services	1,591,000	1,644,000	-	3,235,000	3,228,404	6,596
Regional services	-	-	-	-	5,394	(5,394)
Alcohol and Drug Secretariat	-	-	-	-	1,660	(1,660)
	11,226,000	**2,337,000**	**-**	**13,563,000**	**12,344,742**	**1,218,258**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Justice						
Operations and maintenance						
Management services	$ 2,249,000	$ -	$ 78,000	$ 2,327,000	$ 2,118,086	$ 208,914
Court services	3,995,000	-	-	3,995,000	6,273,201	(2,278,201)
Legal services	4,138,000	100,000	-	4,238,000	3,979,911	258,089
Consumer and commercial services	2,458,000	512,000	(78,000)	2,892,000	1,937,243	954,757
Community and correctional services	8,596,000	-	-	8,596,000	8,803,993	(207,993)
Crime prevention and policing	12,670,000	663,000	-	13,333,000	13,000,221	332,779
Human rights	263,000	226,000	-	489,000	511,297	(22,297)
	34,369,000	**1,501,000**	**-**	**35,870,000**	**36,623,952**	**(753,952)**
Capital						
Management services	373,000	-	-	373,000	429,805	(56,805)
Community and correctional services	2,000,000	(503,000)	-	1,497,000	971,593	525,407
	2,373,000	**(503,000)**	**-**	**1,870,000**	**1,401,398**	**468,602**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Public Service Commission						
Operations and maintenance						
Finance and administration	$ 550,000	$ 150,000	$ 130,000	$ 830,000	$ 765,531	$ 64,469
Corporate human resource services	1,448,000	-	(130,000)	1,318,000	1,282,916	35,084
Pay and benefits management	998,000	86,000	40,000	1,124,000	1,108,733	15,267
Staff relations	925,000	90,000	(115,000)	900,000	834,400	65,600
Workers' compensation fund	2,284,000	339,000	-	2,623,000	2,867,547	(244,547)
Planning and research	307,000	-	75,000	382,000	376,066	5,934
Employee leave and termination benefits adjustment	3,085,000	-	-	3,085,000	2,485,094	599,906
Staff development	2,131,000	-	-	2,131,000	2,070,068	60,932
	11,728,000	**665,000**	**-**	**12,393,000**	**11,790,355**	**602,645**
Capital						
Finance and administration	**35,000**	**-**	**-**	**35,000**	**34,173**	**827**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Expenditures by Department
for the year ended March 31, 2002

Schedule 6

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Renewable Resources						
Operations and maintenance						
Corporate services	$ 1,708,000	$ -	$ 26,000	$ 1,734,000	$ 1,889,968	$ (155,968)
Policy and planning	1,232,000	(104,000)	2,000	1,130,000	1,065,910	64,090
Resource management	12,091,000	345,000	2,000	12,438,000	12,227,702	210,298
Land claims	1,091,000	10,000	(30,000)	1,071,000	960,055	110,945
	16,122,000	**251,000**	**-**	**16,373,000**	**16,143,635**	**229,365**
Capital						
Corporate services	209,000	5,000	118,000	332,000	356,159	(24,159)
Policy and planning	195,000	-	55,000	250,000	224,278	25,722
Resource management	1,496,000	95,000	(173,000)	1,418,000	1,000,614	417,386
Land claims	-	-	-	-	23,832	(23,832)
	1,900,000	**100,000**	**-**	**2,000,000**	**1,604,883**	**395,117**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Tourism						
Operations and maintenance						
Corporate services	$ 1,483,000	$ 175,000	$ 6,000	$ 1,664,000	$ 1,652,924	$ 11,076
Heritage	1,370,000	4,000	50,000	1,424,000	1,406,895	17,105
Industry services	631,000	-	20,000	651,000	628,269	22,731
Marketing	6,160,000	205,000	(36,000)	6,329,000	6,491,011	(162,011)
Arts and cultural industries	1,908,000	-	(40,000)	1,868,000	1,805,448	62,552
	11,552,000	**384,000**	**-**	**11,936,000**	**11,984,547**	**(48,547)**
Capital						
Corporate services	68,000	92,000	(19,000)	141,000	120,090	20,910
Heritage	2,100,000	590,000	(4,000)	2,686,000	2,530,735	155,265
Industry services	425,000	105,000	4,000	534,000	435,676	98,324
Marketing	135,000	6,000	(4,000)	137,000	134,420	2,580
Arts and cultural industries	947,000	284,000	23,000	1,254,000	1,146,596	107,404
	3,675,000	**1,077,000**	**-**	**4,752,000**	**4,367,517**	**384,483**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Women's Directorate						
Operations and maintenance						
Policy and program development	$ 584,000	$ 9,000	$ -	$ 593,000	$ 577,616	$ 15,384
Capital						
Policy and program development	5,000	-	-	5,000	4,940	60
Interest on Loans						
Operations and maintenance						
Interest	379,000	-	-	379,000	378,492	508
Yukon Housing Corporation (Transfer Payment)						
Operations and maintenance						
Expenditures	3,350,000	(864,000)	-	2,486,000	622,449	1,863,551
Capital						
Expenditures	2,194,000	-	-	2,194,000	1,697,427	496,573

GOVERNMENT OF THE YUKON TERRITORY

Schedule 6

Schedule of Expenditures by Department
for the year ended March 31, 2002

	Appropriation					
	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Totals						
Operations and maintenance	$ 419,312,000	$ 11,302,000	$ -	$ 430,614,000	$ 424,488,609	$ 6,125,391
Capital	93,223,000	38,714,000	-	131,937,000	102,844,670	29,092,330
	$ 512,535,000	**$ 50,016,000**	**$ -**	**$ 562,551,000**	527,333,279	**$ 35,217,721**
Less: Land development costs transferred to land held for sale					2,289,765	
Local improvement costs transferred to loans receivable					316,895	
Loan payments transferred to long-term debt					56,832	
					$ 524,669,787	

GOVERNMENT OF THE YUKON TERRITORY

Schedule 7

Schedule of Recoveries of Prior Years' Expenditures
for the year ended March 31, 2002

Department	Over Accruals	Other Recoveries	Total
Health and Social Services	$ 575,691	$ 29,190	$ 604,881
Government Services	137,255	23,849	161,104
Justice	6,525	31,727	38,252
Education	9,543	1,488	11,031
Tourism	6,343	4,310	10,653
Community and Transportation Services	6,267	227	6,494
Executive Council Office	2,112	-	2,112
Public Service Commission	1,607	-	1,607
Economic Development	1,378	-	1,378
Renewable Resources	20	-	20
	$ 746,741	**$ 90,791**	**$ 837,532**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 8

Schedule of Grants
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Appropriation	Actual Expenditures	Under (Over) Appropriation
Community and Transportation Services						
Operations and maintenance						
In lieu of property taxes	$ 3,734,000	$ 30,000	$ -	$ 3,764,000	$ 3,745,490	$ 18,510
Community/local advisory council operations and maintenance grants	69,000	-	-	69,000	58,070	10,930
Home owner grants	2,367,000	-	-	2,367,000	2,422,794	(55,794)
Comprehensive municipal grants	11,817,000	-	-	11,817,000	11,816,869	131
	17,987,000	**30,000**	**-**	**18,017,000**	**18,043,223**	**(26,223)**
Education						
Operations and maintenance						
Teacher training (French bursaries)	10,000	-	-	10,000	10,000	-
Post secondary student grants	3,667,000	-	-	3,667,000	3,662,399	4,601
Post secondary student scholarships	36,000	26,000	-	62,000	66,291	(4,291)
	3,713,000	**26,000**	**-**	**3,739,000**	**3,738,690**	**310**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 8

Schedule of Grants
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Appropriation	Actual Expenditures	Under (Over) Appropriation
Health and Social Services						
Operations and maintenance						
Adoption subsidies	$ 75,000	$ -	$ -	$ 75,000	$ 70,492	$ 4,508
Child care operating grants	1,648,000	-	-	1,648,000	1,738,037	(90,037)
Child care subsidies	3,405,000	-	-	3,405,000	3,208,954	196,046
Federal child benefit - Whitehorse	165,000	15,000	-	180,000	179,381	619
Youth allowance	4,000	(2,000)	-	2,000	883	1,117
Employment incentive grants	300,000	-	-	300,000	302,091	(2,091)
Social assistance - Whitehorse	8,448,000	(91,000)	-	8,357,000	7,629,964	727,036
Yukon seniors income supplement	353,000	(45,000)	-	308,000	220,317	87,683
Pioneer utility grant	380,000	84,000		464,000	500,500	(36,500)
Rehabilitation subsidies	11,000	-	-	11,000	1,500	9,500
Medical travel subsidies	110,000	40,000	-	150,000	167,732	(17,732)
In lieu of property taxes	64,000	-	-	64,000	56,047	7,953
Federal child benefit - region	39,000	4,000	-	43,000	59,611	(16,611)
Social assistance - region	1,168,000	-	-	1,168,000	774,483	393,517
Education and prevention	10,000	-	-	10,000	6,391	3,609
In lieu of property taxes - Continuing Care	-	100,000	-	100,000	89,953	10,047
	16,180,000	**105,000**	**-**	**16,285,000**	**15,006,336**	**1,278,664**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 8

Schedule of Grants
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Appropriation	Actual Expenditures	Under (Over) Appropriation
Justice						
Operations and maintenance						
Institutional facilities inmate allowance	$ 68,000	$ -	$ -	$ 68,000	$ 45,845	$ 22,155
Human Rights Commission	254,000	226,000	-	480,000	479,700	300
	322,000	**226,000**	**-**	**548,000**	**525,545**	**22,455**
Renewable Resources						
Operations and maintenance						
University of Saskatchewan	4,000	-	-	4,000	4,000	-
Fur Institute of Canada	6,000	-	-	6,000	6,000	-
	10,000	**-**	**-**	**10,000**	**10,000**	**-**
Tourism						
Operations and maintenance						
Museum grants	23,000	-	-	23,000	23,000	-
Yukon Arts Centre Corporation	349,000	-	-	349,000	349,300	(300)
	372,000	**-**	**-**	**372,000**	**372,300**	**(300)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 8

Schedule of Grants
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Appropriation	Actual Expenditures	Under (Over) Appropriation
Women's Directorate						
Operations and maintenance						
Community workshops on family violence	$ 5,000	$ -	$ -	$ 5,000	$ 5,000	$ -
Totals						
Operations and maintenance	$ 38,589,000	$ 387,000	$ -	$ 38,976,000	$ 37,701,094	$ 1,274,906

GOVERNMENT OF THE YUKON TERRITORY

Schedule 9

Schedule of Contributions
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Executive Council Office						
Operations and maintenance						
Land claims implementation initiatives	$ 1,822,000	$ -	$ -	$ 1,822,000	$ 1,249,212	$ 572,788
Yukon First Nations	550,000	-	-	550,000	-	550,000
Council of Yukon First Nations	63,000	(63,000)	-	-	-	-
Aboriginal languages community language initiatives	680,000	-	-	680,000	669,393	10,607
Potlatch Society	10,000	-	-	10,000	20,000	(10,000)
Commissioner's entertainment allowance	5,000	-	-	5,000	4,600	400
Carcross Tagish First Nation	-	-	-	-	1,000	(1,000)
Association of Professional Engineers	-	-	-	-	3,000	(3,000)
Aboriginal achievement awards	-	-	-	-	1,500	(1,500)
United Way	-	-	-	-	50,000	(50,000)
Premiers Council on Canadian Health Awareness	-	-	-	-	6,000	(6,000)
Vuntut Gwitchin First Nation	-	-	-	-	3,500	(3,500)
	3,130,000	**(63,000)**	**-**	**3,067,000**	**2,008,205**	**1,058,795**
Capital						
Yukon Foundation endowment fund	-	750,000	-	750,000	750,000	-
Land claims implementation initiatives	-	-	-	-	85,000	(85,000)
	-	**750,000**	**-**	**750,000**	**835,000**	**(85,000)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Contributions
for the year ended March 31, 2002

Schedule 9

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Community and Transportation Services						
Operations and maintenance						
Community recreation/active living	$ 563,000	$ 15,000	$ -	$ 578,000	$ 572,794	$ 5,206
Sport	1,242,000	255,000	-	1,497,000	1,451,024	45,976
Association of Yukon Communities	100,000	-	-	100,000	100,000	-
Selkirk First Nation	66,000	-	-	66,000	-	66,000
	1,971,000	**270,000**	**-**	**2,241,000**	**2,123,818**	**117,182**
Capital						
Connect Yukon	1,700,000	-	-	1,700,000	1,700,000	-
Recreation/community centres - various	50,000	(15,000)	-	35,000	6,850	28,150
City of Whitehorse recreation facilities	1,000,000	1,000,000	-	2,000,000	2,000,000	-
New recreation centre - Carmacks	1,000,000	-	-	1,000,000	959,847	40,153
Community services	2,900,000	973,000	-	3,873,000	3,807,555	65,445
Rural road upgrade program	-	42,000	-	42,000	10,179	31,821
Tagish fire caches	-	22,000	-	22,000	21,819	181
Community recreation leadership endowment fund	-	750,000	-	750,000	-	750,000
Canada Winter Games infrastructure fund	-	8,000,000	-	8,000,000	-	8,000,000
Sewage treatment and disposal - Carcross	-	11,000	-	11,000	6,641	4,359
Roads upgrade - Mayo periphery	-	44,000	-	44,000	43,133	867
	6,650,000	**10,827,000**	**-**	**17,477,000**	**8,556,024**	**8,920,976**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Contributions
for the year ended March 31, 2002

Schedule 9

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Economic Development						
Operations and maintenance						
Utilities consumers group	$ 2,000	$ -	$ 1,000	$ 3,000	$ 3,000	$ -
Yukon Chamber of Commerce	36,000	-	-	36,000	36,000	-
Canada-Yukon Business Service Centre	45,000	-	-	45,000	45,000	-
Yukon Placer Committee	41,000	-	-	41,000	55,001	(14,001)
Yukon Federation of Labour	36,000	-	-	36,000	36,000	-
Yukon Building and Construction Trades Council	15,000	-	-	15,000	15,000	-
Yukon Chamber of Mines	45,000	-	1,000	46,000	46,150	(150)
Klondike Placer Miners' Association	15,000	-	18,000	33,000	33,000	-
Kaska Tribal Council						
- annual report	-	25,000	25,000	50,000	25,000	25,000
- oil and gas	-	-	50,000	50,000	50,000	-
Mining Association of Canada	-	-	5,000	5,000	5,000	-
Council of Yukon First Nations - forestry summit	-	-	1,000	1,000	1,000	-
Manitoba Trade and Investment	-	-	6,000	6,000	5,885	115
Association of Professional Engineers of Yukon	-	-	1,000	1,000	717	283
Yukon Trappers Association	-	-	3,000	3,000	2,500	500
Microage	-	-	7,000	7,000	5,000	2,000
Canadian Information Processing Society	-	-	37,000	37,000	30,000	7,000
Business Development Bank - small business week	-	-	5,000	5,000	5,000	-
Team Canada	-	-	29,000	29,000	28,500	500
ACR Mechanical Systems Ltd.	-	-	4,000	4,000	4,000	-
Whitehorse Chamber of Commerce	-	-	6,000	6,000	5,500	500
Trade Investment Fund	-	-	11,000	11,000	10,558	442
Transport Canada - conference	-	-	3,000	3,000	3,000	-
L. Bouvier - trade mission to Moscow	-	-	1,000	1,000	1,000	-
Dawson City Museum	-	-	1,000	1,000	1,250	(250)
Nacho Nyak Dun Development	-	-	15,000	15,000	15,000	-

GOVERNMENT OF THE YUKON TERRITORY

Schedule 9

Schedule of Contributions
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Economic Development						
Operations and maintenance (continued)						
CANMET/Natural Resources Canada	$ -	$ -	$ 6,000	$ 6,000	$ 6,123	$ (123)
Canadian Parks and Wilderness	-	-	-	-	6,000	(6,000)
Yukon Science Institute	-	-	-	-	5,000	(5,000)
Internal trade secretariat	-	-	-	-	336	(336)
	235,000	**25,000**	**236,000**	**496,000**	**485,520**	**10,480**
Capital						
Project Yukon	1,368,000	(25,000)	(356,000)	987,000	947,635	39,365
Micro loan program	83,000	-	(8,000)	75,000	75,000	-
Fire smart	500,000	-	(48,000)	452,000	452,347	(347)
Yukon mining incentives program	630,000	-	(3,000)	627,000	604,656	22,344
Geological surveys	59,000	-	206,000	265,000	266,775	(1,775)
Resource assessments - minerals	75,000	-	(66,000)	9,000	-	9,000
Resource assessments - oil and gas	20,000	-	40,000	60,000	60,000	-
Mining environment research group	25,000	-	-	25,000	25,000	-
Capital maintenance Faro mine	200,000	-	(200,000)	-	-	-
Community development fund	-	107,000	81,000	188,000	187,597	403
Regional mineral development program	-	150,000	20,000	170,000	150,000	20,000
Alaska Highway pipeline analysis	-	-	144,000	144,000	142,000	2,000
	2,960,000	**232,000**	**(190,000)**	**3,002,000**	**2,911,010**	**90,990**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 9

Schedule of Contributions
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Education						
Operations and maintenance	$ 10,000	$ -	$ -	$ 10,000	$ 8,010	$ 1,990
Education related organizations	152,000	-	-	152,000	147,125	4,875
Remuneration school councils/committees	101,000	-	-	101,000	102,479	(1,479)
Student transportation						
Special payments for education-related events/student activities	24,000	-	24,000	48,000	57,635	(9,635)
Student accommodation (boarding subsidy)	115,000	-	-	115,000	114,682	318
Yukon Teachers' Association						
- president's salary	80,000	4,000	5,000	89,000	88,382	618
- professional development fund	90,000	55,000	116,000	261,000	261,880	(880)
Native language program	352,000	-	-	352,000	352,000	-
Arts contributions	26,000	-	-	26,000	26,000	-
Yukon Francophone School Board						
- operations	60,000	-	-	60,000	60,000	-
- special initiatives	114,000	-	-	114,000	114,000	-
Association franco-yukonnaise - special initiatives	110,000	-	-	110,000	110,000	-
Interchange on Canadian studies	10,000	-	-	10,000	9,489	511
First Nations elder pilot project	15,000	-	-	15,000	10,080	4,920
Western Canada Protocol						
- First Nation language pilot project	17,000	-	-	17,000	14,240	2,760
French cultural activities	15,000	-	7,000	22,000	21,955	45
Innovators in school program	57,000	-	-	57,000	57,000	-
Filling in the cracks	15,000	-	-	15,000	-	15,000
Yukon College	10,801,000	49,000	-	10,850,000	10,850,333	(333)
Yukon College						
- international programs (English as a second language)	75,000	-	-	75,000	75,000	-
- College Board	20,000	-	-	20,000	20,000	-
- seat purchases	500,000	-	(76,000)	424,000	427,250	(3,250)

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Contributions
for the year ended March 31, 2002

Schedule 9

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Education						
Operations and maintenance (continued)						
Student training and employment program	$ 189,000	$ -	$ (2,000)	$ 187,000	$ 183,147	$ 3,853
Apprenticeship initiatives	31,000	-	80,000	111,000	214,244	(103,244)
Bachelor of social work	320,000	-	-	320,000	320,000	-
Literacy initiatives	65,000	65,000	-	130,000	130,000	-
Canada/Yukon summer program	114,000	-	-	114,000	108,279	5,721
Yukon Learn	150,000	-	-	150,000	150,000	-
Yukon native teacher education program	520,000	-	-	520,000	520,000	-
Youth strategy initiatives	350,000	-	-	350,000	350,000	-
Labour market initiatives	3,000	-	2,000	5,000	5,250	(250)
Community library boards	300,000	-	(21,000)	279,000	278,014	986
Yukon Council of Archives	9,000	-	-	9,000	8,700	300
School council association support	-	-	12,000	12,000	12,000	-
Liard Basin Task Force	-	-	15,000	15,000	15,000	-
	14,810,000	**173,000**	**162,000**	**15,145,000**	**15,222,174**	**(77,174)**
Capital						
Yukon College	750,000	-	-	750,000	750,000	-
Community training fund	1,800,000	(161,000)	47,000	1,686,000	1,366,549	319,451
Youth strategy	50,000	-	-	50,000	50,000	-
Yukon work information network	35,000	-	-	35,000	35,000	-
School initiated renovations	-	1,000	2,000	3,000	3,050	(50)
Teacher mentoring endowment fund	-	750,000	-	750,000	-	750,000
Endowment fund - Youth Directorate	-	250,000	-	250,000	250,000	-
Polarettes Gymnastics Club	-	-	5,000	5,000	5,000	-
	2,635,000	**840,000**	**54,000**	**3,529,000**	**2,459,599**	**1,069,401**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Contributions
for the year ended March 31, 2002

Schedule 9

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Finance						
Operations and maintenance						
Public utilities income tax transfer	$ 218,000	$ -	$ -	$ 218,000	$ 217,890	$ 110
Workers compensation supplementary benefits	382,000	20,000	-	402,000	407,766	(5,766)
	600,000	**20,000**	**-**	**620,000**	**625,656**	**(5,656)**
Government Services						
Operations and maintenance						
Technology Innovation Centre	75,000	-	-	75,000	75,000	-
Waterfront trolley	82,000	(20,000)	-	62,000	25,120	36,880
Association franco-yukonnaise	180,000	(10,000)	2,000	172,000	192,000	(20,000)
Yukon Hospital Corporation	125,000	(70,000)	7,000	62,000	62,300	(300)
Yukon Francophone School Board	-	-	15,000	15,000	15,138	(138)
Concordia University	-	-	12,000	12,000	12,000	-
	462,000	**(100,000)**	**36,000**	**398,000**	**381,558**	**16,442**
Capital						
Technology partnerships	**300,000**	**-**	**50,000**	**350,000**	**94,107**	**255,893**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Contributions
for the year ended March 31, 2002

Schedule 9

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Health and Social Services						
Operations and maintenance						
Yukon Health and Social Services Council	$ 40,000	$ -	$ -	$ 40,000	$ 45,043	$ (5,043)
United Way	10,000	-	-	10,000	10,000	-
Youth Centre	10,000	-	-	10,000	10,000	-
Kids' recreation fund	60,000	-	-	60,000	60,000	-
Food for learning	30,000	-	-	30,000	30,000	-
Yukon Advisory Council on First Nations Child Welfare	41,000	-	-	41,000	42,500	(1,500)
Community development projects	10,000	-	-	10,000	-	10,000
Whitehorse Transit - Handi Bus	214,000	-	-	214,000	184,000	30,000
Yukon Medical Association						
- malpractice insurance	262,000	-	-	262,000	261,342	658
- education	177,000	-	-	177,000	176,820	180
- physician recruitment/retention initiatives	70,000	-	-	70,000	120,000	(50,000)
- medical student bursary	10,000	-	-	10,000	5,000	5,000
- rural incentive	5,000	-	-	5,000	-	5,000
Yukon hospital insurance services	7,095,000	155,000	-	7,250,000	7,168,895	81,105
Yukon Hospital Corporation	19,578,000	537,000	-	20,115,000	20,114,271	729
Health investment fund	157,000	-	-	157,000	157,000	-
Yukon Registered Nurses Association						
- nursing education fund	50,000	-	-	50,000	50,000	-
- nursing advisory committee	10,000	-	-	10,000	937	9,063
- nurses post basic specialty education fund	-	75,000	-	75,000	-	75,000
Liard family support	43,000	-	-	43,000	43,000	-
Ross River Dena family support	44,000	-	-	44,000	43,000	1,000
Youth of Today Society	-	20,000	-	20,000	20,000	-
Recreation and Parks Association	-	11,000	-	11,000	5,067	5,933
Options for independence	-	-	-	-	41,500	(41,500)
Whitehorse Christian Ministry	-	-	-	-	5,000	(5,000)

GOVERNMENT OF THE YUKON TERRITORY

Schedule 9

Schedule of Contributions
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Health and Social Services						
Operations and maintenance (continued)						
Province of Alberta						
- Western health information collaborative	$ -	$ -	-	$ -	$ 12,782	$ (12,782)
Miscellaneous contributions	-	-	-	-	16,606	(16,606)
	27,916,000	**798,000**	**-**	**28,714,000**	**28,622,763**	**91,237**
Capital						
Child care services development	30,000	-	-	30,000	30,741	(741)
Yukon Hospital Corporation - equipment	600,000	(200,000)	-	400,000	400,000	-
Yukon Hospital Corporation - CT scan	-	1,350,000	-	1,350,000	1,500,000	(150,000)
	630,000	**1,150,000**	**-**	**1,780,000**	**1,930,741**	**(150,741)**
Justice						
Operations and maintenance						
Legal aid program	1,356,000	-	-	1,356,000	1,356,000	-
Native courtworkers program	344,000	-	-	344,000	292,700	51,300
Yukon Public Legal Education Association	85,000	-	-	85,000	85,000	-
Yukon Utilities Board	100,000	800,000	-	900,000	-	900,000
Community residential centre (Salvation Army)	226,000	-	-	226,000	160,525	65,475
Teslin First Nation	200,000	-	-	200,000	279,000	(79,000)
Community justice projects	293,000	-	-	293,000	303,295	(10,295)
	2,604,000	**800,000**	**-**	**3,404,000**	**2,476,520**	**927,480**

GOVERNMENT OF THE YUKON TERRITORY

Schedule of Contributions
for the year ended March 31, 2002

Schedule 9

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Renewable Resources						
Operations and maintenance						
Environmental public awareness	$ 30,000	$ -	$ -	$ 30,000	$ 20,564	$ 9,436
Mackenzie River Basin agreement	8,000	-	-	8,000	7,097	903
Canadian Council for Ministers of Environment	2,000	-	-	2,000	1,159	841
Yukon Conservation Society	35,000	-	-	35,000	35,000	-
Porcupine Caribou Management Board	48,000	-	-	48,000	48,000	-
Yukon Trappers Association	88,000	-	10,000	98,000	113,000	(15,000)
Whitehorse Fish Hatchery	75,000	-	-	75,000	85,000	(10,000)
Yukon College	45,000	-	-	45,000	45,000	-
Recycling initiative	100,000	-	(60,000)	40,000	40,060	(60)
Ducks Unlimited	60,000	-	-	60,000	60,000	-
Yukon Fish and Game Association	35,000	-	-	35,000	35,000	-
Wildlife Management Advisory Council	148,000	-	24,000	172,000	171,343	657
Yukon College - gyrfalcon survey	-	1,000	-	1,000	1,000	-
Yukon College - peregrine survey	-	5,000	2,000	7,000	5,000	2,000
Southern Lakes Caribou Steering Committee	-	-	14,000	14,000	14,000	-
Canadian Wildlife Federation	-	-	1,000	1,000	1,000	-
Arctic borderlands						
- *Aklavik interviews*	-	-	2,000	2,000	2,000	-
- monitoring of porcupine caribou herd	-	-	5,000	5,000	5,000	-
Council of Yukon First Nations - forest summit	-	-	-	-	1,000	(1,000)
Miscellaneous contributions	-	-	-	-	1,183	(1,183)
	674,000	**6,000**	**(2,000)**	**678,000**	**691,406**	**(13,406)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 9

Schedule of Contributions
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Renewable Resources						
Capital						
Global warming/climate change analysis	$ 75,000	$ -	$ (3,000)	$ 72,000	$ 71,600	$ 400
Yukon Fish and Wildlife Management Board						
- moose management planning framework	-	-	10,000	10,000	10,000	-
Whitehorse fish hatchery projects	-	-	-	-	25,000	(25,000)
	75,000	**-**	**7,000**	**82,000**	**106,600**	**(24,600)**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 9

Schedule of Contributions
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Tourism						
Operations and maintenance						
Tourism Industry Association of Yukon						
- administration	$ 130,000	$ -	$ -	$ 130,000	$ 130,000	$ -
- vacation guide	140,000	-	7,000	147,000	146,714	286
First Nation Tourism Association	60,000	-	-	60,000	60,000	-
Yukon Science Institute	16,000	-	-	16,000	16,500	(500)
Innovators in the school	7,000	-	-	7,000	6,500	500
Museums						
- training support	1,000	-	-	1,000	-	1,000
- general operation and maintenance support	11,000	-	-	11,000	11,500	(500)
- curator/director salary support	143,000	-	-	143,000	142,500	500
Stay another day - heritage projects	100,000	(100,000)	-	-	-	-
Yukon Convention Bureau Society	80,000	120,000	-	200,000	230,000	(30,000)
Alaska Tourism Marketing Council	267,000	-	19,000	286,000	286,353	(353)
Wilderness Tourism Association of the Yukon	65,000	(35,000)	20,000	50,000	50,000	-
Yukon Quest	185,000	-	-	185,000	185,000	-
Yukon Recreation Advisory Committee arts group	515,000	-	-	515,000	473,202	41,798
Artist in school	25,000	-	-	25,000	25,000	-
Dawson City Arts Society	100,000	-	-	100,000	100,000	-
Stay another day - arts themed events	100,000	-	-	100,000	82,000	18,000
Yukon tourism marketing partnership	-	-	103,000	103,000	100,000	3,000
Yukon Heritage Resources Board	-	-	6,000	6,000	5,800	200
Yukon Sourdough Rendezvous	-	-	15,000	15,000	15,000	-
Government of Canada - Parks Canada Agency	-	-	-	-	750	(750)
Association of Yukon Communities	-	-	-	-	5,500	(5,500)
Northern Film and Video Industry Association	-	-	-	-	6,000	(6,000)
Recording Arts Industry Yukon Association	-	-	-	-	9,781	(9,781)
	1,945,000	**(15,000)**	**170,000**	**2,100,000**	**2,088,100**	**11,900**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 9

Schedule of Contributions
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Tourism						
Capital	$ 228,000	$ 60,000	$ (7,000)	$ 281,000	$ 216,895	$ 64,105
Museums assistance	140,000	-	-	140,000	140,000	-
Exhibits assistance	10,000	-	9,000	19,000	8,000	11,000
Conservation and security	50,000	-	15,000	65,000	65,000	-
Historic sites maintenance	115,000	-	-	115,000	113,075	1,925
Fort Selkirk	200,000	-	(10,000)	190,000	190,000	-
Market expansion program	10,000	10,000	-	20,000	20,000	-
Visual arts acquisition	50,000	15,000	-	65,000	59,460	5,540
Millennium fine arts						
Arts Centre capital maintenance and equipment replacement	150,000	-	-	150,000	150,000	-
Film incentive program	165,000	-	23,000	188,000	163,935	24,065
Film infrastructure support	62,000	238,000	-	300,000	299,854	146
Arts and cultural industries fund	500,000	-	(19,000)	481,000	396,305	84,695
Tourism marketing fund	-	83,000	(17,000)	66,000	45,996	20,004
Historic resources trust fund	-	436,000	-	436,000	436,155	(155)
Millennium fund	-	21,000	-	21,000	17,100	3,900
Forty Mile project	-	-	4,000	4,000	4,000	-
First Nation archaeology project	-	-	16,000	16,000	16,045	(45)
Heritage attractions site support	-	-	-	-	2,500	(2,500)
Rampart house	-	-	-	-	19,341	(19,341)
Product and resource assessment	-	-	-	-	2,554	(2,554)
Artifact inventory and cataloging	-	-	-	-	1,652	(1,652)
	1,680,000	**863,000**	**14,000**	**2,557,000**	**2,367,867**	**189,133**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 9

Schedule of Contributions
for the year ended March 31, 2002

	Main Estimates	Supplementary Estimates	Transfers	Revised Estimates	Actual Expenditures	Under (Over) Expended
Women's Directorate						
Operations and maintenance						
Victoria Faulkner Women's Centre	$ 70,000	$ -	$ -	$ 70,000	$ 70,000	$ -
Yukon Status of Women Council	12,000	-	-	12,000	12,000	-
	82,000	**-**	**-**	**82,000**	**82,000**	**-**
Yukon Housing Corporation (Transfer Payment)						
Operations and maintenance						
Expenditures	**3,350,000**	**(864,000)**	**-**	**2,486,000**	**622,449**	**1,863,551**
Capital						
Expenditures	**2,194,000**	**-**	**-**	**2,194,000**	**1,697,427**	**496,573**
Totals						
Operations and maintenance	57,779,000	1,050,000	602,000	59,431,000	55,430,169	4,000,831
Capital	17,124,000	14,662,000	(65,000)	31,721,000	20,958,375	10,762,625
	$ 74,903,000	**$ 15,712,000**	**$ 537,000**	**$ 91,152,000**	**$ 76,388,544**	**$ 14,763,456**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 10

Schedule of Special Warrants
for the year ended March 31, 2002

Warrant Number		Purpose	Amount (thousands of dollars)
No. 1	Operations and maintenance	Finance	$ 764
		Renewable Resources	75
		Tourism	225
			1,064
	Capital	Tourism	278
			$ 1,342

The special warrant authorized spending for the purpose of financing government operations for the fiscal year 2001-2002. This warrant was subsequently approved by the *Third Appropriation Act* (Yukon), 2001-02.

GOVERNMENT OF THE YUKON TERRITORY

Schedule 11

Schedule of Public Debt
for the year ended March 31, 2002

Maturity Date	Issue Date	Rate %	Purpose	Balance March 31, 2001	Retirements	Balance March 31, 2002
Loans Payable - Government of Canada						
Mar 17 2002	Mar 17 1972	6.6875	Municipal	$ 16,099	$ 16,099	$ -
Sep 15 2002	Sep 15 1967	6.0625	Low Cost Housing	3,723	1,859	1,864
Nov 24 2003	Nov 24 1978	9.5000	Municipal	83,201	25,473	57,728
Mar 10 2007	Mar 10 1987	9.0400	Municipal	572,000	-	572,000
Apr 09 2007	Apr 09 1987	9.1200	Municipal	430,000	-	430,000
May 07 2007	May 07 1987	9.1300	Municipal	766,000	-	766,000
Jun 04 2007	Jun 04 1987	9.8800	Municipal	793,000	-	793,000
Jul 09 2007	Jul 09 1987	9.8300	Municipal	329,000	-	329,000
Aug 07 2007	Aug 07 1987	9.7200	Municipal	192,000	-	192,000
Sep 10 2007	Sep 10 1987	10.4200	Municipal	146,000	-	146,000
Oct 09 2007	Oct 09 1987	10.7900	Municipal	134,000	-	134,000
Nov 10 2007	Nov 10 1987	11.0700	Municipal	364,000	-	364,000
				3,829,023	43,431	3,785,592
Yukon Bonds						
Sep 15 2001	Sep 15 1983	13.0000	Municipal	27,000	27,000	-
Sep 15 2002	Sep 15 1983	13.0000	Municipal	30,000	-	30,000
Sep 15 2003	Sep 15 1983	13.0000	Municipal	35,000	-	35,000
				92,000	27,000	65,000
				$ 3,921,023	**$ 70,431**	**$ 3,850,592**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 12

Schedule of Bad Debt Write-offs and Forgiveness
for the year ended March 31, 2002

Accounts Receivable Written Off		
Community and Transportation Services		
Alkan Electric	$	2,307
B.Y.G. Natural Resources		1,857
Bradley, Glen		1,298
Economic Development		
Forman, William		1,266
Education		
Asp, Rosemary		8,169
Robinson, Theresa		1,817
Joe, Gordon		1,339
Finance		
Heisler, Gary o/a Learning How to Fly		11,704
Lacey, Brenda		1,446
Health and Social Services		
McVay, William		5,717
Anderson, Michelle		5,281
McKenzie, Barbara		3,844
Brisebois, Conrad		3,596
Bryan, April		2,025
Ortiz, Carlos (Rodgriguez)		1,888
Boylan, Helene		1,591
Henderson, Keith and Darlene		1,395
Rondeau, Rick		1,011
Davis, Brenton		913
Walker, Allan		894
Lawrence, Susan		874
Roberts, Annette		800
Allan, Jennifer		724
Parsons, Kimberley		678
Brunet, Aime		662
Williams, Mose		640
Olson, Les		591
Renewable Resources		
Heisler, Gary o/a Learning How to Fly		5,216
Tourism		
Kluane Museum Natural History Society		15,430

GOVERNMENT OF THE YUKON TERRITORY

Schedule 12

Schedule of Bad Debt Write-offs and Forgiveness
for the year ended March 31, 2002

Accounts Receivable Written Off (continued)

Total accounts written off over $500	$	84,973
All departments - other miscellaneous accounts less than $500		12,871
Total accounts written off	**$**	**97,844**

Forgiveness (Not Previously Written Off)

Economic Development		
Centennial Anniversaries Program		
Ross River Dena Development Corporation	$	8,145
Total forgiveness	**$**	**8,145**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 13

Schedule of Guaranteed Debt
as at March 31, 2002

	2002	2001
Guarantees authorized pursuant to the *Yukon Development Corporation Act* (Yukon)		
Long-term debt	$ 44,388,000	$ 45,233,000
Guarantees authorized pursuant to the *Housing Corporation Act* (Yukon)		
Mortgages	20,799,000	22,191,000
Debentures	4,724,000	4,871,000
Guarantees authorized pursuant to the *Business Development Assistance Act* (Yukon)	736,584	736,584
Guarantees authorized pursuant to the *Economic Development Act* (Yukon)	347,560	273,388
	$ 70,995,144	**$ 73,304,972**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 14

Schedule of Garage Parts and Fuel Inventory Revolving Fund
for the year ended March 31, 2002

	2002	2001
Opening inventory	$ 1,271,406	$ 1,055,618
Add purchases	1,714,452	1,853,484
	2,985,858	2,909,102
Less consumption	1,810,361	1,637,696
Closing inventory	**$ 1,175,497**	**$ 1,271,406**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 15

Schedule of Central Stores Revolving Fund
for the year ended March 31, 2002

	2002	2001
Opening inventory	$ 430,450	$ 407,008
Add purchases	1,453,837	1,359,825
	1,884,287	1,766,833
Less consumption	1,416,980	1,336,383
Closing inventory	**$ 467,307**	**$ 430,450**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 16

Schedule of Highway Materials Revolving Fund
for the year ended March 31, 2002

	2002	2001
Opening inventory	$ 1,452,105	$ 1,903,072
Add purchases	2,495,799	1,473,971
	3,947,904	3,377,043
Less consumption	1,924,393	1,924,938
Closing inventory	**$ 2,023,511**	**$ 1,452,105**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 17

Schedule of Road and Airport Equipment Reserve Fund
for the year ended March 31, 2002

	2002	2001
Charges for use of equipment	$ 8,570,742	$ 8,420,536
Operating expenditures	(7,673,742)	(7,398,848)
Net income from use of equipment	897,000	1,021,688
Proceeds on sale of equipment	153,421	37,740
Purchase of equipment	(1,814,296)	(2,872,261)
Decrease during the year	(763,875)	(1,812,833)
Balance at beginning of year	3,018,756	4,831,589
Balance at end of year	**$ 2,254,881**	**$ 3,018,756**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 18

Schedule of Recycling Fund
for the year ended March 31, 2002

	2002	2001
Deposits and fees	$ 1,692,150	$ 1,697,312
Refunds and operating expenditures	(1,775,032)	(1,754,800)
Decrease during the year	(82,882)	(57,488)
Balance at beginning of year	418,038	475,526
Balance at end of year	**$ 335,156**	**$ 418,038**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 19

Schedule of Health Investment Fund
for the year ended March 31, 2002

	2002	2001
Appropriation	$ 310,000	$ 382,000
Expenditures	(198,567)	(429,778)
Increase (decrease) during the year	111,433	(47,778)
Balance at beginning of year	79,325	127,103
Balance at end of year	**$ 190,758**	**$ 79,325**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 20

Schedule of Vehicle Fleet Revolving Fund
for the year ended March 31, 2002

	2002	2001
Charges for vehicle rental		
Government departments	$ 1,999,521	$ 1,928,431
Territorial corporations	197,286	178,280
Operating expenditures	(1,293,164)	(1,385,249)
Net income from operations	903,643	721,462
Proceeds on sale of equipment	58,843	138,349
Purchase of vehicles	(831,000)	(1,011,538)
Increase (decrease) during the year	131,486	(151,727)
Balance at beginning of year	1,350,997	1,502,724
Balance at end of year	**$ 1,482,483**	**$ 1,350,997**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 21

Schedule of Property Management Revolving Fund
for the year ended March 31, 2002

	2002	2001
Appropriation	$ 12,142,950	$ 11,573,815
Charges for facilities management and leases		
Government departments	11,072,936	10,311,748
Territorial corporations	569,251	423,275
Other	258,055	239,054
Operating expenditures	(24,043,995)	(22,454,620)
Increase (decrease) during the year	(803)	93,272
Balance at beginning of year	250,000	156,728
Balance at end of year	**$ 249,197**	**$ 250,000**

GOVERNMENT OF THE YUKON TERRITORY

Schedule 22

Schedule of Queen's Printer Revolving Fund
for the year ended March 31, 2002

	2002	2001
Charges for printing		
Government departments	$ 577,701	$ 457,395
Territorial corporations	9,317	5,681
Operating expenditures	(552,421)	(441,160)
Net income from operations	34,597	21,916
Appropriation	-	20,000
Increase during the year	34,597	41,916
Balance at beginning of year	137,415	95,499
Balance at end of year	**$ 172,012**	**$ 137,415**

SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS

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YUKON HOUSING CORPORATION

FINANCIAL STATEMENTS

March 31, 2002

(audited)

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Yukon Housing Corporation

Management's Responsibility for Financial Statements

The financial statements contained in this annual report have been prepared by Management in accordance with Canadian generally accepted accounting principles, and the integrity and objectivity of the data in these financial statements are Management's responsibility.

In support of its responsibility, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled and that transactions are in accordance with the *Financial Administration Act* as well as the *Housing Corporation Act* and the by-laws of the Corporation.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibility through the Financial Management Committee, which meets on a periodic basis with management and the independent external auditor to review the manner in which these groups are performing their responsibilities, and to discuss auditing, internal controls, and other relevant financial matters. The Financial Management Committee reviews the audited financial statements with the external auditor before making recommendations to the Board of Directors for their acceptance.

The Corporation's external auditor, the Auditor General of Canada, is responsible for auditing the financial statements and issuing a report which is included with the financial statements. The Auditor General of Canada provides her report to the Minister responsible for Yukon Housing Corporation.

Marc Tremblay
President

Bonnie Love, CGA
A/Director, Finance and Administration

August 1, 2002

AUDITOR GENERAL OF CANADA VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Minister responsible for the
Yukon Housing Corporation

I have audited the balance sheet of the Yukon Housing Corporation as at March 31, 2002 and the statements of operations, equity and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Housing Corporation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation, the financial statements are in agreement therewith and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations, the *Housing Corporation Act* and the by-laws of the Corporation.

Roger Simpson, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
August 1, 2002

Yukon Housing Corporation

Yukon Housing Corporation
Balance Sheet
as at March 31, 2002

	2002	2001
	Thousands of dollars	
Assets		
Current		
Cash (Note 3)	$ 236	$ 1,186
Due from Canada Mortgage and Housing Corporation	279	281
Accounts receivable - other	530	518
Mortgages receivable - current portion (Note 4)	3,803	2,991
Housing held for sale (Note 5)	2,236	2,652
	7,084	7,628
Seniors' Housing Management Fund (Note 10)	646	366
Mortgages, agreements and loans receivable (Note 4)	43,720	39,116
Capital assets (Note 7)	31,734	32,984
	$ 83,184	$ 80,094
Liabilities		
Current		
Accounts payable	$ 1,235	$ 1,446
Due to Government of Yukon	109	557
Current portion of long-term debt (Note 8)	3,207	2,261
	4,551	4,264
Seniors' Housing Management Fund (Note 10)	646	366
Accrued employee future benefits	693	672
Deferred revenue	523	591
Deferred capital funding from Government of Yukon (Note 9)	7,598	8,041
Long-term debt (Note 8)	47,678	47,069
	61,689	61,003
Equity		
Equity of Government of Yukon	21,495	19,091
	$ 83,184	$ 80,094

Approved by the Board of Directors

Director C. E. Bulla

Director

The accompanying notes and schedules are an integral part of these financial statements

Yukon Housing Corporation
Statement of Equity of Government of Yukon
Year ended March 31, 2002

	2002	2001
	Thousands of dollars	
Balance at beginning of year	$ 19,091	$ 17,462
Funding advanced from Government of Yukon (Note 12)	2,404	1,629
Balance at end of year	$ 21,495	$ 19,091

The accompanying notes and schedules are an integral part of these financial statements.

Yukon Housing Corporation

Yukon Housing Corporation
Statement of Operations
Year ended March 31, 2002

	2002	2001
	Thousands of dollars	
Revenues		
Recoveries - Cost shared agreements	$ 4,268	$ 4,370
Rental income	3,296	2,578
Interest income	2,623	2,298
Recoveries - Prior year bad debts	342	187
	10,529	9,433
Expenses		
Program costs (Schedule)	5,048	5,370
Personnel	3,337	3,399
Interest on long-term debt	2,224	2,632
Amortization	1,658	1,727
Administration (Schedule)	668	910
Loss on sale of housing projects	33	102
	12,968	14,140
Net results of operations before government funding	(2,439)	(4,707)
Government of Yukon funding		
Operating grant	1,492	3,688
Amortization of deferred capital funding	947	1,019
	2,439	4,707
Net results of operations after government funding	$ -	$ -

The accompanying notes and schedules are an integral part of these financial statements

Yukon Housing Corporation

Yukon Housing Corporation
Statement of Cash Flows
Year ended March 31, 2002

	2002	2001
	Thousands of dollars	
Cash flows from operating activities		
Net income from operations	$ -	$ -
Adjustment for non-cash items		
Increase in accrued employee future benefits	21	17
Decrease in deferred revenue	(68)	(107)
Amortization of capital assets	1,658	1,727
Amortization of deferred capital funding	(947)	(1,019)
Loss on sale of housing projects	33	102
	697	720
Changes in non-cash components of working capital	(1,065)	(426)
Cash flows from operating activities	(368)	294
Cash flows from investing activities		
Additions to housing projects	(456)	(218)
Additions to computer systems, furnishings, equipment and office building	(54)	(2,270)
Proceeds from sale of housing projects	69	70
Additions to mortgages and agreements receivable	(7,513)	(7,762)
Repayments and reductions of mortgages and agreements receivable	6,143	3,469
Decrease in deposit on building purchase	-	509
Cash flows used in investing activities	(1,811)	(6,202)
Cash flows from financing activities		
Repayment of long-term debt - rental housing units and office building	(920)	(886)
Repayment and reduction of long-term debt - other	(3,759)	(2,208)
Long term debt advanced from Government of Yukon	3,000	10,110
Funding for the acquisition of capital assets	504	378
Funding from Government of Yukon (Note 12)	2,404	1,629
Cash flows from financing activities	1,229	9,023
Increase (decrease) in cash	(950)	3,115
Cash (Bank indebtedness) at beginning of year	1,186	(1,929)
Cash at end of year	$ 236	$ 1,186

Supplemental Disclosure of Cash Flows Information

Interest paid	$ 2,238	$ 2,646
Interest received	2,687	2,259

The accompanying notes and schedules are an integral part of these financial statements.

1. Authority and mission

Yukon Housing Corporation (the "Corporation") was established in 1972 by the *Housing Corporation Act* of the Yukon Territory to undertake and assist in the provision, development, maintenance and management of housing.

As reflected in the Corporation's Accountability Statement, the mission of the Corporation is to improve the quality of housing in the Yukon and help Yukoners resolve their housing needs. In carrying out its mission, the Corporation provides low rental housing, which generates operating losses. The Corporation also provides loans for the purpose of housing. The Corporation is dependent on the Government of Yukon for funding its operations.

Also reflected in the Corporation's Accountability Statement are the Corporation's two primary responsibilities: assisting people to meet their housing needs and helping the housing marketplace work better by furthering the self-sufficiency of communities, industries and people to meet their housing needs.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies follow:

(a) Grant provided by Government of Yukon

The *Housing Corporation Act* authorizes the Government of Yukon to pay the Corporation an operating grant equal to its operating deficit. The operating grant is reflected as a reduction to the net loss from operations, in the statement of operations. The portion of the funding used to purchase depreciable assets is recorded as deferred capital funding and amortized on the same basis and over the same periods as the related capital assets. Funding provided in excess of the operating grant is recorded as equity.

(b) Mortgages, agreements and loans receivable

Under the Home Repair Program, the Corporation may subsidize a debtor's repayment. These subsidies, reviewed annually, are based on the debtor's ability to pay. Mortgages receivable under the Home Repair Program are stated at estimated realizable value after providing allowances for payment subsidies and unearned forgivable advances.

Mortgages receivable under the Home Ownership Program are fully secured and are recorded at cost.

Mortgages receivable under the Rural and Native Housing Home Ownership Programs are stated at book value. Under the Social Housing Agreement (SHA) signed with Canada Mortgage and Housing Corporation (CMHC) in 1998, the Corporation may be required to subsidize a debtor's repayment of a Rural and Native Housing Home Ownership mortgage; CMHC annual cost-shared funding provided to the Corporation includes an amount for subsidies.

Based on historical loss experience management considers it necessary to establish an allowance for impaired loans. Loans are classified as impaired when: (1) the Corporation no longer has reasonable assurance of timely collection of the full amount of principal and interest due or (2) payments are 90 days or more in arrears, except in those cases where, in the opinion, of management, there is justification to continue to accrue interest. Where appropriate, an impaired loan allowance has been established to adjust the loan carrying value to the net realizable amount.

The land sales agreements, which pertain to loans receivable from lots sold to purchasers for residential, commercial and recreational purposes, are recorded at cost.

(c) Housing held for sale

The development of Mountain View Place, consisting of titled mobile housing lots, is valued at the lower of cost and net realizable value.

Housing held for sale includes houses repossessed under the Home Ownership Program and the Rural and Native Housing Home Ownership program. These houses are recorded at the lower of cost and net realizable value.

(d) Capital assets

Capital assets are valued at cost, net of contributions from outside agencies and accumulated amortization. Interest on loans during construction of capital assets is capitalized.

Social housing projects financed by long-term debt are amortized using the sinking fund method based on the principal repayment of the associated debt.

Amortization is calculated using the straight-line method, over the estimated useful lives of assets (except social housing projects financed by long-term debt as noted above):

Social housing projects not financed by long term debt	15 years
Staff housing projects and other facilities:	
Standard construction	35 years
Mobile home units	15 years
Office building	20 years
Computer systems	3 years
Furnishings and equipment	5 years

(e) Deferred revenue

Deferred revenue consists of funding received from Yukon Development Corporation to assist in funding a residential energy management initiative, and funding provided by Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement for future housing related projects and losses on interest and mortgage guarantees. Revenue for the energy management initiative is recognized as loan advances are given to clients, and CMHC funding will be recognized when housing related projects are undertaken or losses are incurred on the interest and mortgage guarantees.

(f) Employee future benefits

Employee future benefits - other than pension

Under the conditions of employment, employees of the corporation may qualify for and earn employment benefits for vacation, sick, compensatory and personal leave, travel bonus and severance benefits. The benefit obligation was determined on an actuarial basis. The obligation for vacation leave, sick leave, and severance benefits was calculated using the projected benefit method pro-rated on service. The remaining obligation was calculated assuming all employees would receive the benefits on valuation date.

(f) Employee future benefits (continued)

Pensions

The Corporation and its employees, who are employees of the Government of Yukon, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the Corporation's total pension obligation and are recognized on a current basis. The Corporation is required to contribute 2.14 times the employees' contribution. The Corporation is not required to make any contributions with respect to actuarial deficiencies of the Public Service Superannuation Plan.

(h) Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used when accounting for matters such as provision for subsidies on Home Repair Loans and Rural and Native Housing Home Ownership Loans, amortization, employee benefits, provisions and contingencies.

(i) Recoveries - Cost shared agreements

Under the Social Housing Agreement signed with Canada Mortgage and Housing Corporation (CMHC) in 1998, the Corporation has entered into cost sharing agreements whereby operating deficits of certain housing projects are cost shared with CMHC. The Corporation has also entered into cost sharing agreements to share the operating deficits of certain housing projects with the City of Whitehorse.

3. Cash

The Corporation has, if needed, an operating demand overdraft facility with its banker that allows the Corporation to borrow up to $11,000,000 at bank prime. The bank prime rate at *year end* was 4.00% (2001 - 6.75%). The overdraft facility is guaranteed by Government of Yukon.

4. Mortgages, agreements and loans receivable

	Stated % interest rates	2002	2001
		Thousands of dollars	
Mortgages Receivable			
Home Ownership Loans with terms up to ten years, secured by registered charges against real property, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest and with maturities up to 2010. Rural and Native Home Ownership mortgages receiving subsidies (see Note 2 b) at March 31, 2002 were $2,420,000 (March 31, 2001 - $2,962,000).	3.47 - 8.25	$ 27,885	$ 23,346
Owner Build Loans with terms up to five years, secured by registered charges against real property, at fixed rates of interest ranging from 2.5% to the full Home Ownership mortgage rate with maturities up to 2007.	2.50 - 7.30	2,735	2,221
Repair & Upgrade Loans with terms up to twelve years, secured by registered charges against real property or chattel mortgages, repayable in blended weekly, bi-weekly or monthly payments at fixed rates of interest with maturities up to 2014. Mortgages receiving subsidies and forgiveness at March 31, 2002 were $2,626,000 (March 31, 2001 - $2,580,000)	1.00 - 8.25	9,623	8,850
Energy Management Loans with terms up to seven years, secured by registered charges against real property or chattel mortgages, repayable in blended monthly payments at fixed rates of interest with maturities up to 2009.	1.50 - 3.50	818	1,026
Joint Venture Loans with terms up to 13 years, secured by registered charges against real property or general security agreements, repayable in blended monthly payments at fixed rates of interest with maturities up to 2015.	3.00 - 7.50	1,442	1,264

	Stated % interest rates	2002	2001
		Thousands of dollars	
Other mortgages			
Loans with varying terms, rates and maturities	5.90 - 10.00	-	753
Subtotal mortgages receivable		42,503	37,460
Less: Allowances for payrnent subsidies for Home Repair loans (Note 6)		1,546	1,541
Less: Allowances for impaired loans		121	-
Total mortgages receivable		40,836	35,919
Land sales agreements receivable	5.00 - 8.50	2,242	1,686
Loans on residential, commercial and recreational lots, repayable in blended annual payments at fixed rates of interest with maturities up to 2007.			
Loan receivable - Government of Yukon Repayable in blended monthly payments to the year 2028 at a fixed rate of interest.	7.05	4,445	4,502
Total mortgages, agreements and loans receivable		47,523	42,107
Less: Current portion		3,803	2,991
		$ 43,720	$ 39,116

These investments earn interest at the following weighted average rates:

	2002	2001
Mortgages receivable	6.57%	6.59%
Land sales agreements receivable	7.07%	8.01%
Loan receivable - Government of Yukon	7.05%	7.05%

5. Housing held for sale

	2002	2001
	Thousands of dollars	
Mountain View Place	$ 1,941	$ 1,960
Other housing inventory	295	692
	$ 2,236	$ 2,652

6. Allowances for payment subsidies on Home Repair Loans

	2002	2001
	Thousands of dollars	
Payment Subsidies		
Balance at beginning of year	$ 1,541	$ 1,689
Provision for subsidies on loans advanced during current fiscal year	320	124
Principal subsidy paid during the year	(315)	(273)
Balance at end of year	1,546	1,540
Unearned Forgivable Advances	-	1
Total Allowances for Payment Subsidies	$ 1,546	$ 1,541

7. Capital assets

	2002			2001
	Thousands of dollars			
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Social housing	$ 32,909	$ 11,399	$ 21,510	$ 22,598
Staff housing	11,650	4,554	7,096	7,063
Office building	1,753	220	1,533	1,610
Land	1,386	-	1,386	1,378
Computer systems	875	832	43	128
Other facilities	759	651	108	146
Furnishings and equipment	157	99	58	61
	$ 49,489	$ 17,755	$ 31,734	$ 32,984

CMHC funding used to purchase capital assets is deducted from the cost of the asset. CMHC funding allocated to capital assets during 2002 was $250,000 (2001 - $250,000).

8. Long-term debt

	Stated % interest rates	2002	2001
		Thousands of dollars	
Mortgages Payable (guaranteed by the Government of Yukon)	5.05 - 12.50	$ 20,799	$ 22,191
Loans with a variety of terms, secured by fixed charges against housing projects, repayable in blended monthly payments at fixed rates of interest and with maturities up to 2029.			
CMHC Loans (guaranteed by the Government of Yukon)	5.00 - 13.25	4,724	4,871
Loans repayable in blended annual payments at fixed rates of interest to maturity, and with maturities up to 2028.			
Loans payable - Government of Yukon	0.00	22,643	20,200
Repayable without interest in periodic installments to 2029.			
Land sales agreements due to Government of Yukon	0.00	2,719	2,068
Repayable without interest in equal periodic installments to 2007.			
Total long-term debt		50,885	49,330
Less: Current portion		3,207	2,261
		$ 47,678	$ 47,069

The mortgages and loans payable bear interest at the following weighted average interest rates:

	2002	2001
Mortgages payable	8.40%	8.30%
CMHC loans	8.82%	8.83%

Principal repayments required over the next five years are as follows:

	CMHC Loans	Mortgages	Government of Yukon Loans	Land Sales Agreements	Total
		(thousands of dollars)			
2003	$ 161	$ 658	$ 756	$ 1,632	$ 3,207
2004	176	714	756	404	2,050
2005	192	778	756	360	2,086
2006	210	845	756	203	2,014
2007	230	919	756	120	2,025

9. Deferred capital funding from Government of Yukon

Deferred capital funding represents the unamortized portion of Government of Yukon funding used to purchase depreciable capital assets.

Changes in the deferred capital funding balance are as follows:	2002	2001
	Thousands of dollars	
Balance at beginning of year	$ 8,041	$ 8,682
Add funding used to purchase depreciable capital assets	504	378
Less amortization	(903)	(1,019)
Less unamortized funding on assets disposed of during the fiscal year charged to operations	(44)	0
Balance at end of year	$ 7,598	$ 8,041

10. Seniors' Housing Management Fund

The Seniors' Housing Management Fund was established under section 7 of the *Housing Corporation Act* to provide for the future housing needs of Yukon's seniors. The Government of Yukon approved the establishment of the Fund in October 2000.

The Fund receives Government of Yukon funding through an annual appropriation and an appropriation equal to interest revenue generated by the Corporation's Green Mortgage Program and interest revenue earned on monies held within the Fund. The Corporation has not yet secured Government of Yukon approval on the parameters for the operation of the fund; there have been no payments made out of the Fund.

Changes in the Seniors' Housing Management Fund are as follows:	2002	2001
	Thousands of dollars	
Balance at beginning of year	$ 366	$ -
Government of Yukon annual appropriation	100	250
Government of Yukon appropriation equal to interest revenue earned on Green Mortgage Program	168	115
Interest revenue earned on monies held within the Fund	12	1
Balance at end of year	$ 646	$ 366

11. Employee future benefits - pensions

	2002	2001
	Thousands of dollars	
Contributions made by the Corporation and its employees to the Public Service Superannuation Plan administered by the Government of Canada		
Employer contribution	$ 283	$ 282
Employee contribution	129	127
Total contributions	$ 412	$ 409

12. Funding advanced from Government of Yukon

	2002	2001
	Thousands of dollars	
Cash advances from Government of Yukon	$ 4,680	$ 6,060
Operating grant	(1,492)	(3,688)
Funding used to purchase capital assets (Note 9)	(504)	(378)
Funding invested in Seniors' Housing Management Fund	(280)	(365)
Funding advanced from Government of Yukon	$ 2,404	$ 1,629

13. Financial instruments

The fair values of the financial instruments were determined using the present value of future cash flows discounted at the March 31, 2002 average market rate for mortgages and loans with similar maturities.

The balances in Due from Canada Mortgage and Housing Corporation, Accounts receivable - other, Accounts payable and Due to Government of Yukon are non-interest bearing and have fair values that approximate their carrying amount due to their short term to maturity.

The carrying amount and estimated fair values of the financial instruments are as follows:

	2002		2001	
	Thousands of dollars			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term investments				
Mortgages receivable net of allowances for payment subsidies on Home Repair loans and loan impairments	$ 40,836	$ 39,874	$ 35,919	$ 34,921
Land sales agreements receivable	2,242	1,974	1,686	1,437
Loan receivable - Government of Yukon	4,445	3,682	4,502	4,057
	$ 47,523	$ 45,530	$ 42,107	$ 40,415
Long-term debt				
Mortgages payable	$ 20,799	$ 20,484	$ 22,191	$ 22,874
CMHC loans	4,724	4,932	4,871	5,386
Loans payable - Government of Yukon	22,643	9,269	20,200	8,316
Land sales agreements due to Government of Yukon	2,719	2,420	2,068	1,795
	$ 50,885	$ 37,105	$ 49,330	$ 38,371

These financial instruments do not have active markets. The fair value of these instruments may not reflect realizable amounts.

The balances in Due from Canada Mortgage and Housing Corporation, Accounts receivable - other, Accounts payable and Due to Government of Yukon are the result of transactions incurred in the normal course of business and have no significant credit risks.

14. Related party transactions

The Corporation is related in terms of common ownership to all Government of Yukon departments, corporations and agencies. In addition to those related party transactions, disclosed elsewhere in these financial statements, the Corporation enters into transactions with related entities in the normal course of business.

15. Commitments and contingencies

	2002	2001
	Thousands of dollars	
Outstanding contractual obligations to complete the funding of mortgages receivable as at March 31.	$ 1,024	$ 1,032
Subsidies to private social housing organizations	930	930

The Corporation has claims pending against certain parties which arise in the ordinary course of business. The outcomes of these claims are not yet determinable although the Corporation believes the outcomes will not materially affect the financial position or future results of operations of the Corporation.

16. Mortgage guarantees

The cost of house construction often exceeds the market value of that house in Yukon communities. Canada Mortgage and Housing Corporation provides mortgage insurance for up to 95% of the market value of a new home. Under the Extended Mortgage Guarantee Program, the Corporation will insure for up to 95% of the cost of a new house, therefore enabling rural Yukon residents to have access to insured mortgage financing.

The contingent liability for mortgage guarantees under this program as at March 31, 2002 is $252,000 (2001 - $296,000).

17. Government of Yukon transfer payments

The following table reconciles funding provided by the Government of Yukon as shown in these financial statements to that recorded by the Government in its Public Accounts.

	2002	2001
	Thousands of dollars	
Operating deficit	$ 2,439	$ 4,707
Less amortization	(1,658)	(1,727)
Less Program costs - Other		
Home Repair mortgage provision for payment subsidies expense	(320)	(124)
Housing project improvements	(18)	(3)
Non-recoverable land development costs	-	(245)
Add Seniors' Housing Management Fund investment - Government of Yukon appropriation	180	115
Government of Yukon - Operations and maintenance transfer payment	$ 623	$ 2,723
Program costs - Other		
Home Repair mortgage provision for payment subsidies expense	320	124
Housing project improvements	18	3
Non-recoverable land development costs	-	245
Add Seniors' Housing Management Fund investment - Government of Yukon appropriation	100	250
Add funding provided to repay principal portion of long term debt	920	886
Add funding provided to purchase depreciable capital assets (Note 12)	504	378
Add funding provided to purchase non-depreciable capital assets	7	-
Less funding refunded for net book value of assets disposed	(104)	(379)
Less funding refunded for prior year repayment of principal portion of long term debt	(68)	-
Government of Yukon - Capital transfer payment	$ 1,697	$ 1,507

18. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Yukon Housing Corporation

Yukon Housing Corporation
Schedule of Program Costs and Administration Expenses
Year ended March 31, 2002

	2002	2001
	Thousands of dollars	
Program costs		
Housing Operations		
Utilities	$ 1,129	$ 1,139
General maintenance	1,055	1,282
Subsidies - Private social housing organizations	837	808
Direct lending program administration	589	610
Property taxes	481	544
Property rentals	182	260
Garbage collection and janitorial	156	165
Bad debts - housing operations including rental tenants	153	58
Housing program administration	84	89
Insurance	44	42
	4,710	4,997
Other		
Home Repair mortgage provision for payment subsidies expense	320	124
Housing project improvements	18	3
Non-recoverable land development costs	-	246
	338	373
	$ 5,048	$ 5,370
Administration expenses		
Rentals - office and equipment	$ 206	$ 237
Travel and transportation	121	118
Computer services	119	212
Communications	79	87
Professional fees	54	120
Office and sundry	46	60
Boards and committees	31	32
Program promotion	12	44
	$ 668	$ 910

Yukon Housing Corporation
Schedule of Bad Debt Write-offs
for the year ended March 31, 2002

Tenant Receivables Written Off

		Invoice Date
Kingshott, R. & N.	$ 1,114	1989
Billy, B. & Blanchard, H.	4,412	1991
Marsh, P.	1,120	1991
Bunbury, J.	1,797	1992
Wright, D.	1,172	1992
Benjamin, B.	2,630	1993
Tomtom, S.	1,108	1993
Coates, V. & Mead, H.	1,459	1994
Cove, S.	3,111	1994
Peterson, K.	1,678	1994
Blodgett, R.	1,253	1995
Fieldhouse, T.	2,589	1995
Kosmenko, K. & Ford, C.	2,754	1995
Kowalchuk, J. & D.	1,150	1995
Brown, G. & D.	1,865	1996
Ganske, V.	1,254	1996
Papineau, A.	1,110	1996
Yaklin, S. & M.	1,386	1996
Thompson, H.	761	1997
Barret-Morberg, E.	1,048	1997
Robinson, J.	1,264	1997
Masters, K.	764	2000
Total accounts written off	$ 36,799	

Total accounts written off and forgiveness in 2001 $165,701.

The Corporation is disclosing bad debts written off as required by subsection 14(4) of the *Financial Administration Act*.

YUKON DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

December 31, 2001

(audited)

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Yukon Development Corporation

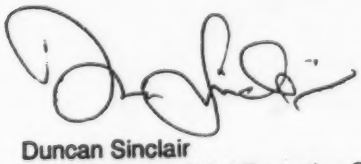
MANAGEMENT REPORT

The consolidated financial statements and all other financial information relating to Yukon Development Corporation contained in this annual report are the responsibility of management. The consolidated financial statements have been prepared in conformity with Canadian generally accepted accounting principles using methods appropriate for the industry in which the Corporation operates. The preparation of financial statements necessarily involves the use of estimates and approximations which have been made using careful judgment. In management's opinion, the consolidated financial statements have been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the consolidated financial statements. Financial information presented elsewhere in this annual report is consistent with that in the consolidated financial statements.

Management maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, the careful selection and training of qualified personnel, and an organizational structure that provides for the appropriate delegation of authority and segregation of responsibilities.

The financial statements have been examined by an external auditor. The external auditor's responsibility is to express an opinion on whether the consolidated financial statements, in all material respects, fairly present the Corporation's financial position, results of operations and changes in cash flows in accordance with generally accepted accounting principles. In addition, the external auditor reports on whether proper books of account have been kept by the Corporation, the consolidated financial statements are in agreement therewith, and transactions, in all significant respects, are in accordance with the *Financial Administration Act* (Yukon) as applicable, the *Yukon Development Corporation Act* and the bylaws of the Corporation. The Auditor's Report, which follows, outlines the scope of this examination and the auditor's opinion.

The Corporation's Board of Directors, through its Audit and Finance Committee, oversees management's responsibilities for financial reporting. The Audit and Finance Committee meets with management and the independent external auditor to discuss auditing and financial matters, to gain assurance that management is carrying out its responsibilities and to review and approve the consolidated financial statements. The auditor has full and free access to the Audit and Finance Committee, with and without the presence of management.



Duncan Sinclair
President and Chief Executive Officer
May 16, 2002

Mailing Address: Box 2703 (D-1), Whitehorse, Y.T., Y1A 2C6
Telephone: (867) 393-5336 Fax: (867) 393-5323

AUDITOR GENERAL OF CANADA VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

The Honourable Scott Kent
Minister Responsible for the Yukon Development Corporation

I have audited the consolidated balance sheet of the Yukon Development Corporation as at December 31, 2001 and the consolidated statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Yukon Development Corporation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Corporation and by its wholly-owned subsidiaries and the consolidated financial statements are in agreement therewith and the transactions of the Corporation and of its wholly-owned subsidiaries that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations, the *Yukon Development Corporation Act* and the bylaws of the Corporation.

Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 16, 2002

YUKON DEVELOPMENT CORPORATION

CONSOLIDATED BALANCE SHEET

As at December 31, 2001

(in thousands of dollars)

	2001	2000
Assets		
Current assets		
Cash and cash equivalents (note 3)	$ 25,867	$ 24,234
Accounts receivable (note 4)	7,006	11,704
Inventories	2,272	2,155
Prepaid expenses	452	379
Current portion of investment (note 5)	254	224
	35,851	**38,696**
Long-term receivables		
Mortgages receivable	39	137
	39	**137**
Capital assets (note 7)	**131,369**	**124,960**
Deferred charges (note 8)	**4,777**	**4,168**
Investments (note 5)	**4,082**	**4,336**
Reserve for uninsured losses (note 9)	**291**	**316**
Funds held in trust (note 6)	**1,405**	**-**
Rate stabilization fund (note 10)	**2,663**	**6,054**
Diesel contingency fund (note 11)	**682**	**(61)**
	$ 181,159	**$ 178,606**
Liabilities		
Current liabilities		
Accounts payable	2,881	2,460
Current portion of long-term debt (note 12)	972	910
Interest payable	15	15
Regulatory Liabilities (note 13)	1,804	2,086
	5,672	**5,471**
Long-term debt (note 12)	**43,416**	**44,323**
Deferred revenue (note 14)	**15,371**	**15,428**
Reserve for future removal and site restoration costs	**5,041**	**4,644**
Rate stabilization fund (note 10)	**2,663**	**6,054**
Diesel contingency fund (note 11)	**682**	**(61)**
	72,845	**75,859**
Equity		
Contributed capital	41,501	41,501
Retained earnings	66,813	61,246
	108,314	**102,747**
	$ 181,159	**$ 178,606**

The accompanying notes are an integral part of the financial statements.

Contingencies and commitments (Note 17)

Approved by the Board:

Chair **Director**

YUKON DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended December 31, 2001

(in thousands of dollars)

	2001	2000
Revenue		
Sales of power	$ 22,242	$ 22,386
Interest income	1,141	1,333
Other	571	1,159
Finance Income	559	586
Contributions - Canada	289	-
Contributions - Yukon	141	180
	24,943	**25,644**
Operating expenses		
Administration	5,785	8,928
Operations and maintenance	5,208	5,413
Amortization of capital assets	5,194	4,738
Amortization of deferred charges	452	397
	16,639	**19,476**
Income from operations	**8,304**	**6,168**
Other expenses		
Interest on long-term debt	1,765	1,808
Program expenses (note 15)	922	352
Provision for uninsured losses	50	50
	2,737	**2,210**
Net income	**5,567**	**3,958**
Retained earnings, beginning of year	61,246	57,288
Retained earnings, end of year	$ **66,813**	$ **61,246**

The accompanying notes are an integral part of the financial statements.

YUKON DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2001

(in thousands of dollars)

	2001	2000
Cash provided by (used in) operating activities		
Net income	$ 5,567	$ 3,958
Items not resulting in a cash payment		
Amortization of capital assets	5,194	4,738
Amortization of deferred charges	452	397
Increase in reserve for future removal & site restoration	397	575
	6,043	**5,710**
Changes in non-cash components of working capital		
Decrease (increase) in accounts receivable	3,715	(864)
Increase in inventories	(118)	(1,343)
Increase in prepaid expenses	(73)	(32)
Increase in funds held in trust	(1,405)	-
Increase (decrease) in accounts payable	420	(529)
Decrease in interest payable	-	(1)
(Decrease) increase in deferred revenue	(57)	3,081
Increase (decrease) in regulatory liabilities	(282)	1,621
	2,200	**1,933**
Cash provided by operating activities	**13,810**	**11,601**
Cash provided by (used in) investing activities		
Additions to capital assets	(11,536)	(9,656)
Additions in deferred charges	(1,061)	(854)
Increase in reserve for uninsured losses	25	430
Principal payments received on investments	224	198
Cash used in investing activities	**(12,348)**	**(9,882)**
Cash provided by (used in) financing activities		
Repayments of long-term debt	(910)	(787)
Decrease in long-term receivables	1,081	4,070
Cash provided by financing activities	**171**	**3,283**
Net Increase in cash during the year	**1,633**	**5,002**
Cash beginning of year	**24,234**	**19,232**
Cash end of year	**$ 25,867**	**$ 24,234**
Supplementary disclosure: Interest paid in the year	$ 1,764	$ 1,821

The accompanying notes are an integral part of the financial statements.

1. Authority, objectives and operations

Yukon Development Corporation (the Corporation) was originally established under the *Yukon Development Corporation Act* to participate with the private sector in the economic development of the Yukon, to make strategic investments to the benefit of the territory and to acquire and operate the assets of Northern Canada Power Commission (NCPC) in the Yukon.

In 1993, the Corporation's mandate was changed to restrict its new initiatives to energy-related activities designed to promote the economic development of the Yukon.

The Corporation's wholly-owned subsidiaries, Yukon Energy Corporation and Energy Solutions Centre Inc., were incorporated under the Yukon *Business Corporations Act*. Yukon Energy Corporation generates, transmits, distributes and sells electrical energy in the Yukon and is regulated by the Yukon Utilities Board. The mandate of Energy Solutions Centre Inc. is to engage Yukoners in the challenge and potential of energy efficiency and green power as solutions to climate change by mobilizing individuals, businesses, communities and First Nations to implement projects that will reduce greenhouse gas emissions in the Yukon.

Yukon Energy Corporation and Energy Solutions Centre Inc. are exempt from the *Financial Administration Act* (Yukon).

2. Significant accounting policies

Financial statement presentation

The consolidated financial statements of Yukon Development Corporation have been prepared by management and conform to Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of Yukon Development Corporation and its wholly-owned subsidiaries, Energy Solutions Centre Inc. and Yukon Energy Corporation and take into account generally accepted accounting methods and practices of regulatory bodies. All significant inter-company transactions and balances have been eliminated on consolidation. The regulatory accounting practices adopted by Yukon Energy Corporation may differ from the accounting practices otherwise applied in unregulated enterprises. In particular, the timing of Yukon Energy Corporation's recognition of certain assets, liabilities, revenues and expenses as a result of regulation may differ from that otherwise expected using generally accepted accounting principles. A description of significant accounting policies follows.

Water Regulation

The Yukon Territory Water Board decides if and for how long Yukon Energy Corporation will have a water licence for the purposes of operating dams for hydro generation. The licences will also indicate terms and conditions for the operation of dams.

Rate Regulation

The Corporation's subsidiary, Yukon Energy Corporation, is regulated by the Yukon Territory Water Board pursuant to the *Yukon Waters Act* (Canada) and the Yukon Utilities Board pursuant to the *Public Utilities Act* (Yukon). The regulatory process begins when Yukon Energy Corporation makes a General

2. Significant accounting policies (continued)

Rate Application for its proposed electricity rate changes over the next one or two forecast years. The Yukon Utilities Board (YUB) must ensure that its decision, which fixes electricity rates, complies with all relevant legislation including the Public Utilities Act and directives issued by the Yukon Government through Orders-In-Council that specify how the interests of the customer and the utilities are to be balanced.

The YUB follows a two-stage decision process. In the first stage, the total costs that the utility will incur by making electricity available to its customers over the immediate future are approved. The approval of these costs determines the total revenues the utility is allowed to collect from its customers. It is the responsibility of the YUB to examine the legitimacy of three classes of costs:

- The costs to the utility to run its operations and maintain its equipment - (personnel and materials);
- The cost associated with the amortization of all capital equipment;
- The return on rate base (the costs related to borrowing that portion of rate base which is financed with debt, and the costs to provide a reasonable rate of return on that portion of rate base which is financed with equity).

In the second stage, the YUB approves how the revenue will be raised. This stage essentially determines the electricity rates for the various customer classes in the Yukon: residential, government, commercial and industrial. This process is guided mainly by a cost of service study which allocates utility costs to the various customer classes on the basis of appropriate costing principles. The determination of rates is also affected by Orders-In-Council issued by the Yukon Cabinet, which give specific government direction to the Board.

Normally, Yukon Energy Corporation applies for rates in advance of the applicable years. A hearing takes place and rates are approved as final as a result of the hearing. Interim hearings and interim rates may be used to deal with unforeseen circumstances.

Inventories
Inventories which consist of material, supplies and diesel fuel are recorded at the lower of average cost or replacement value.

Capital assets
Capital assets are stated at cost which includes materials, direct and indirect labour, an appropriate allocation of administrative overhead and finance charges capitalized during construction, less accumulated amortization. Amortization is based on the straight-line method over the estimated economic life of the assets as follows:

Generation	
Hydro-electric plants	40 to 65 years
Diesel plants	15 to 25 years
Transmission	25 to 35 years
Distribution	20 to 30 years
Buildings	20 to 30 years
Financial Information System	5 to 10 years
Transportation	13 to 14 years
Other equipment	5 to 15 years

2. *Significant accounting policies (continued)*

Yukon Energy Corporation capitalizes development studies and an allowance for funds used during construction (AFUDC) at a rate approved by the Yukon Utilities Board for debt and equity funds.

Certain additions are made with the assistance of cash contributions where the estimated revenue is less than the cost of providing service or where special equipment is needed to meet customers' specific requirements. These contributions are amortized to income on the same basis as and offset the amortization charge of the assets to which they relate. Capital assets are disclosed net of unamortized contributions. Upon retirement or disposal, any gain or loss is charged to income in the current year for assets depreciated on an individual basis, or charged to accumulated depreciation for assets depreciated on a pooled basis.

Deferred charges
Deferred charges are recorded at cost less accumulated amortization.

All demand side management expenditures related to administration expenses and information programs are expensed as incurred, while costs related to specific incentive programs are deferred and amortized to earnings on a straight-line basis over five years.

Planning and study costs related to research projects and operations are expensed as incurred. Costs related to potential capital development projects which are abandoned are amortized to earnings on a straight-line basis over five years starting in the year that the project is abandoned.

Costs related to water license renewals are deferred and amortized to earnings on a straight-line basis over the term of the existing license plus the expected term of the renewed license, which is generally a long term arrangement of 25 years.

Regulatory hearing costs are deferred and amortized to earnings on a straight-line basis over the period to which the hearing relates.

General equipment overhaul expenditures in excess of $250,000 are deferred and amortized to earnings on a straight-line basis over five years.

Other deferred charges are amortized to earnings on a straight-line basis over various terms approved by the Yukon Utilities Board.

Investments
The Corporation's investments are recorded at the lower of cost or net realizable value.

Reserve for uninsured losses
Yukon Energy Corporation maintains a reserve for uninsured losses. An appropriation to the reserve of $50,000 is made annually as a charge to expenses. Uninsured losses are charged directly against the reserve.

2. Significant accounting policies (continued)

Reserve for future removal and site restoration cost
The reserve is calculated based on the estimated cost of demolishing, dismantling, tearing down, or otherwise disposing of the asset, net of expected recoveries. These estimated costs are being provided for over the estimated useful life of the asset on a straight-line basis.

Revenue recognition
Revenue from the sale of power is recorded when electricity is delivered.

Contribution - Canada
Contributions are received from the Government of Canada as part of a contribution agreement between the Corporation and Natural Resources Canada. The purpose of the program is to stimulate energy efficiency and renewable energy technologies. The program is delivered by the subsidiary, Energy Solutions Centre Inc. and revenue is recognized on an accrual basis, when services are performed.

Contribution - Yukon
Contributions were received in 1999 as part of the Yukon Government's commitment to sustainable energy development. These contributions are recognized as income when the eligible expenses are incurred.

Use of estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. This mainly affects revenue, accounts receivable, the reserve for future removal and site restoration costs and other long-term receivables. Actual results could differ from these estimates.

3. Cash and cash equivalents

	2001	2000
Bank balance	$ 11,306	$ 10,172
Short-term investments	14,561	14,062
	$ 25,867	**$ 24,234**

Short term investments are monies invested in a pooled money market fund. The fixed-term securities held in the fund have an average maturity less than 90 days. Earnings are distributed monthly on a pro-rata share of the total fund. Annual return on investment for 2001 was 2.64% (2000 - 6.03%).

Yukon Energy Corporation also has, if needed, an operating demand line of credit with its banker that allows the Corporation to borrow up to $10,000,000 at bank prime. The overdraft facility is guaranteed by the Yukon Government.

4. Accounts receivable

	2001	2000
Fire insurance claim	$ 2,235	$ 4,787
Rate adjustment receivable	1,809	2,103
Retail energy sales	1,231	1,940
Wholesale energy sales	1,144	1,664
Anvil Range Mine revenue shortfalls	-	983
Other	587	227
	$ 7,006	**$ 11,704**

Accounts Receivable includes $2,446,000 (2000 - $2,203,000) due from the Yukon Electrical Company Limited. Yukon Energy Corporation's sales to the Yukon Electrical Company Limited were approximately $14,981,000 (2000 - $15,020,000) but, due to the wholesale nature of the sales, Yukon Energy Corporation is not economically dependent on it.

5. Investments

The Corporation's investments are summarized as follows:

	2001	2000
Direct financing lease	$ 4,336	$ 4,560
Less: current portion	254	224
	$ 4,082	**$ 4,336**

In 1990, the Corporation acquired the building known as Old Yukon College from the Yukon Government for a nominal fee. The building was renovated and is being leased back to the Government for a period of 20 years. At the end of the lease term (in 2011) the Government may purchase the building from the Corporation for a nominal fee. Interest from the lease is recognized as finance income.

6. Funds held in trust

	2001	2000
Construction contract holdbacks	$ 789	$ -
Energy infrastructure investment	616	-
	$ 1,405	**$ -**

Construction contract holdbacks represent holdbacks from payments made to the general contractor on the Mayo to Dawson Transmission Line Project. These will be held by Yukon Energy Corporation pending satisfactory completion of the project, at which time the monies will be released.

Energy infrastructure investment represents monies held by Yukon Development Corporation on behalf of a Yukon First Nation for investment in energy infrastructure. The ultimate use of these funds is subject to the finalization of necessary investment agreements.

An offsetting liability is recorded in accounts payable and is equal to the balance of Funds held in trust.

7. Capital assets

	Cost	Accumulated amortization	2001 Net book value	2000 Net book value
Hydro-electric and diesel plants	$ 124,463	$ 32,621	$ 91,842	$ 91,650
Transmission	19,418	6,353	13,065	13,010
Distribution	10,525	3,403	7,122	6,919
Buildings and other equipment	12,038	3,198	8,840	8,277
Financial information system	1,305	354	951	1,153
Transportation	1,206	187	1,019	734
Land	110		110	110
Construction-in-progress	10,522		10,522	4,782
	179,587	**46,116**	**133,471**	**126,635**
Less: Contributions for plant extensions	2,707	605	2,102	1,675
	$ 176,880	**$ 45,511**	**$ 131,369**	**$ 124,960**

The above amounts exclude the costs of assets which were damaged and destroyed in the October 30,1997 fire at the Whitehorse Rapids Generating Facility. The costs of the assets which were used to reconstruct the facility equaled $13,395,000 are included in the capital asset costs above. As an offset, an amount equal to $11,604,000 representing insurance proceeds received to cover the cost of reconstruction is accounted for as a deferred revenue (see note 14).The difference, equal to $1,791,000 (2000 - $1,791,000), represents the value of betterments which improved the facility beyond the value replaced by the insurance proceeds.

8. Deferred charges

	Cost	Accumulated amortization	2001 Net book value	2000 Net book value
Relicensing	$ 4,753	$ 806	$ 3,947	$ 3,438
Feasibility Studies	528	237	291	238
Downsizing Costs	301	29	272	
Generating equipment overhauls	834	695	139	308
Dam Safety Review	91	36	55	
Deferred diesel fuel price adjustment	73	-	73	111
Other	-	-	-	73
	$ 6,580	**$ 1,803**	**$ 4,777**	**$ 4,168**

Deferred charges have been deferred and amortized in accordance with decisions of the Yukon Utilities Board.

8. Deferred charges (continued)

Yukon Energy Corporation is authorized by Order-In-Council 1995/90 to adjust its rates to reflect fluctuations in the price of diesel fuel without the requirement for specific application to and approval of the Yukon Utilities Board. Fluctuations in diesel fuel expense are deferred and recovered or refunded over designated future periods prescribed by the YUB through revised rates charged to customers.

9. Reserve for uninsured losses

	2001	2000
Opening Balance	$ 316	$ 746
Provision	(50)	(50)
Adjustment	-	(503)
Losses incurred		
Forest fire	25	-
Wind storm	-	84
Whitehorse Rapids Generation interruption	-	36
Asset replacement	-	3
Closing Balance	**$ 291**	**$ 316**

Yukon Energy Corporation's target balance for the reserve for uninsured losses is based on Yukon Energy Corporation's past experience. Yukon Energy Corporation will be applying to the Yukon Utilities Board for approval to increase the reserve.

As a result of the 1997 fire at the Whitehorse Rapids Generation facilities, approximately $503,000 was charged to the reserve during 1997 and 1998 ($100,000 for the deductible under Yukon Energy Corporation's insurance policy and $403,000 for fire-related diesel generation not specifically covered by the insurance policy). Given that Yukon Energy Corporation was able to negotiate a "gain on insurance proceeds" under its insurance policy, the reserve was reimbursed in 2000 for these fire-related costs. However, all adjustments to the reserve are subject to the approval of the Yukon Utilities Board which Yukon Energy Corporation has requested in it's report to the Board on the impacts from the fire filed on April 26 2002.

10. Rate stabilization fund

The ten million dollar Rate Stabilization Fund was created in 1999 by the Yukon Government with a mandate to support stable and affordable electrical rates to March 31, 2002. The goal of the Rate Stabilization Fund is to protect all non-government residential, general service (commercial) and municipal rate payers by minimizing the impact of rate increases over this period. The Yukon Government has announced a further twelve million dollars will be added to the fund, extending the life of this program to 2005 (see commitment note 17b)).

	2001	2000
Opening Balance	$ 6,054	$ 8,595
Payments	(3,609)	(2,954)
Interest	218	413
Closing Balance	**$ 2,663**	**$ 6,054**

11. Diesel contingency fund

The Diesel Contingency Fund was established with Board Order 1996-6 by the Yukon Utilities Board. The Fund is administered by Yukon Energy Corporation on behalf of the Yukon Utilities Board, and as such is recorded as a trust asset and a trust liability.

	2001	2000
Opening Balance	$ (61)	$ (57)
Whitehorse Rapids Generating Facility fire adjustment	744	-
Interest	(1)	(4)
Closing Balance	**$ 682**	**$ (61)**

The Whitehorse Rapids Generating Facility fire adjustment is the Corporation's calculation of the impact of the October 1997 fire to the Diesel Contingency Fund in 1999. In the April 26, 2002 filing to the Yukon Utilities Board on the impact of the fire, the Corporation has requested approval of this adjustment to the Diesel Contingency Fund.

12. Long-term debt

The Corporation's long-term debt is summarized as follows:

	2001	2000
Government of Canada $40,000,000 flexible term note bearing interest at 7% repayable in annual installments of $1,000,000 interest and principal, with the balance due January 1, 2028	$ 29,302	$ 29,546
Great West Life $5,750,000 mortgage bearing interest at 11.5%, repayable in monthly installments of $60,000 interest and principal with the final payment due July 2011	4,332	4,557
TD Canada Trust $12,400,000 term note bearing interest at 7.94% payable in monthly installments of $102,000 interest and principal, with the balance of $67,000 due October 31, 2016. The note is guaranteed by the Yukon Government.	10,754	11,130
	44,388	**45,233**
Less: Current portion	972	910
	$ 43,416	**$ 44,323**

Government of Canada note

The proceeds of the Government of Canada flexible term note were part of the consideration used in 1987 to acquire the assets of Northern Canada Power Commission. The note is collateralized by a mortgage against the acquired assets.

12. Long-term debt (continued)

The terms of the flexible term note provide for payments of principal and interest to be deferred and abated respectively, if power sales on the Whitehorse-Aishihik-Faro electrical power distribution system are less than specified amounts.

Mortgage payable
The mortgage is secured by land and buildings described in note 7.

Long-term debt repayment
Scheduled repayments for all long-term debt are as follows:

2002	$ 972
2003	1,043
2004	1,117
2005	1,108
2006	1,281
Thereafter	38,867
	$ 44,388

Fair value
Fair value of $46,945,000 (2000 - $43,579,000) for all long-term debt was estimated using discounted cash-flow analysis based on an estimate of the Corporation's current borrowing rate for similar borrowing arrangements.

13. Regulatory Liabilities

	2001	2000
Insurance proceeds held on behalf of ratepayers	$ 744	$ 1,488
Anvil Range Mine dewater revenue	1,060	598
	$ 1,804	**$ 2,086**

The Insurance proceeds held on behalf of ratepayers amount represents the residual balance of insurance proceeds after allocation against all known fire-related reconstruction and operation and maintenance costs. The Corporation is required to use the balance of the insurance proceeds to the benefit of ratepayers. The allocation of this amount will be the subject of a decision of the Yukon Utilities Board. On April 26, 2002, in accordance with Board direction, Yukon Energy Corporation filed its report to the Yukon Utilities Board related to the impacts of fire. As part of this report, Yukon Energy Corporation has reported on potential impact to the Diesel Contingency Fund (see note 11). This may affect the ultimate allocation of insurance proceeds.

Anvil Range Mine dewater revenue derives from Rate Schedule 34 customers, of which the Anvil Range Mine represents the only customer in the class. As directed by the Yukon Utilities Board in Board Order 1998-5, the Corporation is deferring revenues collected from this rate class until application to the benefit of customers is directed by the YUB.

14. Deferred revenues

	2001	2000
Deferred gain on fire insurance proceeds - capital assets (net of amortization and adjustments $2,698,000 (2000 - $2,550,000))	8,906	9,054
Sustainable energy development funds	6,465	6,374
	$ 15,371	$ 15,428

The deferred gain on fire insurance proceeds - capital assets represents the gain resulting from insurance proceeds received in relation to the reconstruction of facilities ($11,604,000 - see notes 7 and 13) in excess of net book value of assets destroyed by fire. The gain is being amortized to income at the same rate that the replacement assets are being amortized, as approved by the Yukon Utilities Board Order 2000-3 (see note 7). On April 26, 2002, in accordance with Board direction, Yukon Energy Corporation filed its report with the Yukon Utilities Board on related impacts of the fire.

The Yukon Government provided $6,000,000 towards sustainable energy for the Yukon people. Two 10 year programs were established totaling $4,000,000 for green power and energy conservation and efficiency initiatives. Two million dollars was provided for a wind turbine that was built in 2000. Interest on these amounts is also recorded as deferred revenue.

15. Other expenses

	2001	2000
Energy market transformation	$ 436	$ 176
Energy sector development	335	166
Corporate leadership	87	-
First Nations, community and environment initiatives	64	10
	$ 922	$ 352

16. Pension costs and obligations

Yukon Energy Corporation has a defined benefit pension plan which provides for pensions based on length of service and final average earnings. The cost of pension benefits is determined using the projected benefits method, prorated on service, and reflects management's best estimates of investment returns, wage and salary increases, and age at retirement. Adjustments resulting from the plan enhancements, experience gains and losses, and changes in assumptions are amortized over the estimated average remaining service life of employees. Pension costs include the current cost of service and amortization of past service benefits and plan enhancements, and experience gains and losses. Amortization is on a straight-line basis over the expected average remaining service life of pension plan members, which is currently 18 years.

Yukon Energy Corporation has contracted with external organizations to provide services of trustee, administrator, and investment manager for the pension plan.

16. Pension costs and obligations (continued)

An actuarial valuation for funding purposes was performed as of January 1, 2001 by the consulting actuarial firm Aon Consulting Inc. The results of the January 1, 2001 valuation have been projected to December 31, 2001 in accordance with generally accepted actuarial standards. The actuarial valuation includes services rendered by members under the Yukon Energy Corporation Employees Pension Plan from January 1, 1998 to December 31, 2001 and service credits in respect of pre-1998 service transferred to the Yukon Energy Corporation Employees Pension Plan from the Canadian Utilities Employees Pension Plan under the Acknowledgement and Agreement between Yukon Energy Corporation and Yukon Electrical Company Ltd., dated February 5, 1999.

The fair value of plan assets is based on market values as reported by Royal Trust as at December 31, 2001.

The following table sets out the assumptions and pension amounts as at December 31, 2001. Yukon Energy Corporation's employees had the option to belong to the Corporation's defined benefit pension plan or a Registered Retirement Savings Plan (RRSP). Employees joining Yukon Energy Corporation after January 1, 2002 can only join the RRSP. As at December 31, 2001 the Corporation's defined pension plan had 41 members, and the RRSP had 12 members.

Pension benefits are based on:

- years of pensionable service,
- the average annual earnings during any 5 consecutive years of pensionable service where earnings are the highest, and
- the average of the years maximum pensionable earnings (Canada Pension Plan) for the same 5 year period.

Annual cost of living increases to a maximum of 3.00% are provided to pensioners. Yukon Energy Corporation contributes amounts as prescribed by an independent actuary.

Employees make basic and indexed contributions to the plan as follows:

- 3.5% of earnings up to the years maximum pensionable earnings
- 5.0% of earnings in excess of years maximum pensionable earnings

to a maximum of $2,500 per year.

Information about Yukon Energy Corporation's defined benefit plan as at December 31, in aggregate, is as follows:

16. Pension costs and obligations (continued)

	2001	2000
Discount rate	6.50%	7.00%
Expected long term rate of return on plan assets	7.00%	7.00%
Assumed rate of salary escalation	3.75%	3.75%
Expected average remaining service life of employees	18 years	18 years
Benefit obligation determined by actuarial valuation	$ 4,862	$ 4,397
Fair value of plan assets	4,183	4,262
Plan deficit	(679)	(135)
Accrued benefit liability	(95)	(35)
Pension expense	268	202
Employer contributions	208	201
Employee contributions	79	87
Benefits paid	(206)	(8)

The Accrued benefit liability has been recorded on Yukon Energy Corporation's books of account and is included in Accounts payable on the balance sheet at December 31, 2001.

17. Contingencies and commitments

a) Mayo to Dawson transmission line contract

During 2001, Yukon Energy Corporation entered into a contract for the construction of a transmission line from the Mayo hydro generation plant to the Dawson distribution system. The total cost of the contract is $22 million payable over the course of construction which is estimated to be 19 months. The cost of the contract will be financed via a combination of debt and grants from Yukon Development Corporation and a portion will be financed by internally-generated funds. As of December 31, 2001, the Yukon Energy Corporation has spent $5,458,000 toward the completion of this contract. The total cost of the project will be reviewed by the Yukon Utilities Board as part of Yukon Energy Corporation's next rate application.

b) Rate stabilization fund

On October 17, 2001, the Yukon Government announced the continuation of the Rate Stabilization Fund through a $12 million investment beginning in 2002. This investment is expected to sustain the Fund until 2005. Yukon Development Corporation expects to invest up to $7.8 million of internally-generated funds before April 1, 2004.

c) Regulatory hearing funding

The Yukon Government issued OIC 2002/75 on March 27 2002, directing Yukon Development Corporation to pay all costs incurred by the Yukon Utilities Board to conduct a utility franchise application review process with respect to a proposed gas distribution system within the City of Whitehorse. The amount of costs Yukon Development Corporation will ultimately pay is not determinable at this time.

17. Contingencies and commitments (continued)

d) Compensation arising from water re-licensing activities

Yukon Energy Corporation is pursuing renewal of the water license for the Aishihik Hydro Generation Facility for the fourth quarter of 2002. The decision of the Yukon Water Board, which has jurisdiction in this matter, will likely include compensation to local water users affected by the operation of the facility as defined under the *Yukon Waters Act*. The Yukon Water Board has not rendered a decision to date. As such, the amount owing by Yukon Energy Corporation is not determinable at this time.

18. Environmental liabilities

The Corporation's activities are subject to various federal and territorial laws and regulations governing the protection of the environment or to minimize any adverse impact thereon. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. Liabilities will be recorded when the occurrence of an environmental expenditure, related to present or past activities of the Corporation, is considered probable and the costs can be reasonably estimated. To date, no such specific liabilities have been recorded in the Corporation's accounts.

19. Comparative figures

Certain 2000 figures, which are presented for comparative purposes, have been restated to conform with the current year's presentation.

20. Non-consolidated financial information

The nature and size of operations of the corporation and its subsidiaries, Yukon Energy Corporation and Energy Solutions Centre Inc., differ substantially. Audited financial statements of Yukon Energy Corporation and Energy Solutions Centre Inc. for the year ended December 31, 2001 are also prepared and included in Yukon Development Corporation's annual report. Certain non-consolidated unaudited financial information of the Parent corporation is provided in the corporation's annual report for interested parties.

YUKON LIQUOR CORPORATION

FINANCIAL STATEMENTS

March 31, 2002

(audited)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Liquor Corporation is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to:

- provide reasonable assurance that reliable financial information is produced;
- safeguard and control the assets of the Corporation;
- ensure that the transactions of the Corporation are in accordance with relevant legislation, and by-laws of the Corporation;
- ensure that the resources of the Corporation are managed efficiently and economically; and,
- ensure that the operations of the Corporation are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Corporation. The accompanying financial statements, which include amounts based on management's best estimates as determined through experience and judgement, are in accordance with generally accepted accounting principles.

These financial statements have been independently audited by the Corporation's external auditor, the Auditor General of Canada, and her report is included in this report.

Marc Tremblay
President and Chief Executive Officer

David Steele
Director, Corporate Services

May 23, 2002

AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Executive Council Member responsible for the
Yukon Liquor Corporation

I have audited the balance sheet of the Yukon Liquor Corporation as at March 31, 2002 and the statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Liquor Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith, and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Liquor Act* and regulations, the *Liquor Tax Act*, the *Financial Administration Act* and regulations and the by-laws of the Corporation.

Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 23, 2002

YUKON LIQUOR CORPORATION
Balance Sheet
as at March 31, 2002

ASSETS

	2002	2001
	(thousands of dollars)	
Current		
Cash	$ 579	$ 126
Accounts receivable (Note 3)	142	128
Inventories	1,817	1,887
	2,538	2,141
Capital assets (Note 4)	2,878	3,075
	$ 5,416	$ 5,216

LIABILITIES & EQUITY

Current		
Accounts payable (Note 3)	$ 1,366	$ 817
Due to the Government of the Yukon (Note 5)	304	480
Deferred revenue	93	92
	1,763	1,389
Accrued employee future benefits	775	752
	2,538	2,141
Commitments (Note 9)		
Equity (Note 6)	2,878	3,075
	$ 5,416	$ 5,216

Approved by Management:

President and Chief Executive Officer

Director, Corporate Services

The accompanying notes are an integral part of the financial statements

YUKON LIQUOR CORPORATION
Statement of Income
for the year ended March 31, 2002

	2002	2001
	(thousands of dollars)	
Sales		
Beer	$ 10,411	$ 10,192
Spirits	6,310	6,092
Wine	2,775	2,573
	19,496	18,857
Cost of goods sold	9,371	8,955
Gross profit	10,125	9,902
Expenses		
Salaries and benefits	3,715	3,421
Rent, utilities and maintenance	723	694
Amortization	305	318
Cartage	211	217
Professional services	142	173
Travel and communications	134	142
General and office supplies	134	113
Miscellaneous	129	93
Board expenses	19	34
	5,512	5,205
Operating income	4,613	4,697
Other income		
Fees, permits and licences	106	106
Miscellaneous	3	21
	109	127
Net Income	$ 4,722	$ 4,824

The accompanying notes are an integral part of the financial statements

YUKON LIQUOR CORPORATION
Statement of Cash Flows
for the year ended March 31, 2002

	2002	2001
	(thousands of dollars)	
Cash provided by (used in):		
Operating activities:		
Net income for the year	$ 4,722	$ 4,824
Adjustment for non-cash items:		
Amortization	305	318
(Increase) decrease in accounts receivable	(14)	41
Decrease in inventories	70	29
Decrease in due to the Government of the Yukon	(176)	(529)
Increase (decrease) in accounts payable	549	(876)
Increase in deferred revenue	1	2
Increase (decrease) in accrued employee future benefits	23	(91)
	5,480	3,718
Investing activities:		
Acquisition of capital assets	(107)	(102)
Financing activities:		
Adjusted net income due to the Government of the Yukon	(4,920)	(5,040)
Repayment of advance from the Government of the Yukon	-	-
	(4,920)	(5,040)
Increase (decrease) in cash during the year	453	(1,424)
Cash at the beginning of the year	126	1,550
Cash at the end of the year	$ 579	$ 126

The accompanying notes are an integral part of the financial statements

1. Authority and Operations

The Corporation, established in 1977, under the *Liquor Act*, is responsible for the purchase, distribution and sale of liquor within the Territory. It is responsible for controlling the sale of liquor through licensed outlets and enforcing all matters related to the *Act*.

In accordance with the *Liquor Act*, the net income for the year, before amortization, less amounts expended on capital assets, is remitted to the Government of the Yukon on a monthly basis.

The Corporation is required by the *Liquor Tax Act* to collect liquor taxes on behalf of the Government of the Yukon and to remit these taxes on a monthly basis. The current rate is 12%, and is applied on the amount the Corporation would otherwise charge for its products.

In accordance with the provisions of the Beverage Container Regulations under the *Environment Act*, the Corporation collects various beverage container deposits and recycling surcharges on the sale of its products. These amounts are remitted to the Recycling Fund on a monthly basis after deducting deposit refunds paid and fees earned under the program.

The employees of the Corporation are paid by the Government of the Yukon. The Corporation reimburses the Government on a monthly basis for salaries and benefits expenses paid.

2. Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The more significant accounting policies are as follows:

Inventories
Inventories are comprised of alcoholic beverages for resale and are valued at the lower of landed cost at Whitehorse, or market.

Amortization
Amortization of capital assets owned by the Corporation is calculated by the straight-line method over the estimated useful life of the assets as follows:

Buildings	20 years
Furniture and office equipment	5 years
Equipment	5 years
Systems equipment & software	3 years
Leasehold improvements	4 years or remaining term of lease

Employee future benefits
Under the conditions of employment, employees may qualify and earn employment benefits for vacation, sick, compensatory and personal leave, travel bonus, and severance benefits. The benefit obligation was determined on an actuarial basis. The key assumptions used were a liability discount rate of 6.5% and an annual rate of general salary escalation of 3%. The obligation for vacation leave, sick leave, and severance benefits were calculated using the projected benefit method pro-rated on service. The remainder was calculated assuming all employees would receive the benefits on valuation date.

2. Accounting Policies (continued)

Services provided without charge
The Corporation does not record the value of services it receives or provides without charge. These services include the following:

- capital assets such as liquor store buildings, store and warehouse improvements, furniture and equipment acquired by the Government of the Yukon until March 31, 1990 for use by the Corporation, see (Note 4 b);
- services, primarily accommodation, provided by the Government of the Yukon;
- services provided by the Corporation to the Government in its capacity of Territorial Agent in localities outside of Whitehorse; and
- annual audit provided by the Office of the Auditor General of Canada.

3. Fair Values of Financial Instruments

Accounts receivable, accounts payable and the amount due to the Government of the Yukon are incurred in the normal course of business. All are due on demand and are non-interest bearing. The carrying amounts of each approximate fair values because of their short maturity.

4. Capital Assets

a) Capital assets purchased by the Corporation after March 31, 1990 are as follows:

	2002			2001
	Cost	Accumulated Amortization	Net book Value	Net book Value
	(thousands of dollars)			
Land	$ 268	$ 0	$ 268	$ 268
Buildings	4,373	1,930	2,443	2,662
Equipment	345	285	60	82
Systems equipment and software	574	520	54	58
Leasehold improvements	97	51	46	0
Furniture and office equipment	63	56	7	5
	$ 5,720	$ 2,842	$ 2,878	$ 3,075

4. Capital Assets (continued)

b) The unamortized cost of capital assets acquired by the Government of the Yukon until March 31, 1990 and held by the Corporation is as follows:

	2002	2001
	(thousands of dollars)	
Liquor store buildings	$ 978	$ 978
Store and warehouse improvements	1,167	1,167
Equipment	375	375
Furniture and office equipment	104	104
	$ 2,624	$ 2,624

5. Due to the Government of the Yukon

	2002	2001
	(thousands of dollars)	
Adjusted net income due (Note 7a)	$ (300)	$ 20
Reimbursements for salaries paid to employees on behalf of the Corporation	418	390
Liquor tax (Note 7b)	142	31
Net remittances due to the Recycling Fund	44	40
Net due at the end of the year	$ 304	$ 481

6. Equity

This amount represents the sum of the net book value of capital assets purchased by the Corporation after March 31, 1990, $2,878,000 (2001 - $3,075,000) which the Government of the Yukon has provided to the Yukon Liquor Corporation on a cumulative basis.

7. Related party transactions

a) **Adjusted Net Income**
Calculation of adjusted net income due to the Government of the Yukon for the year (Note 1):

	2002	2001
	(thousands of dollars)	
Balance due at the beginning of the year	$ 20	$ 324
Net income	4,722	4,824
Capital expenditures	(107)	(102)
Capital asset amortization	305	318
Adjusted net income due to the Government of the Yukon	4,920	5,040
Less: remitted during the year	(5,240)	(5,344)
Balance due at the end of the year	$ (300)	$ 20

7. Related party transactions (continued)

b) **Liquor tax**
Liquor tax collected and due to the Government of the Yukon for the year (Note 1):

	2002	2001
	(thousands of dollars)	
Balance due at the beginning of the year	$ 31	$ 177
Liquor tax collected during the year	2,340	2,263
Less: remitted during the year	(2,229)	(2,409)
Balance due at the end of the year	$ 142	$ 31

c) **Other transactions**
The value of services provided without charge by the Government of the Yukon to the Corporation is estimated to be $553,000 (2001–$552,842) the value of services provided without charge by the Corporation to the Government is estimated to be $394,000 (2001 - $385,000). These transactions were not included in the financial statements of the Corporation.

8. Pensions

The Corporation and its employees, who are deemed to be employees of the Government of the Yukon, make contributions to the Public Service Superannuation Account administered by the Government of Canada. These contributions represent the Corporation's total pension obligation and are recognized in the accounts on a current basis. The Corporation's contributions to the plan have been limited to an amount equal to the employee's contributions on account of current services. Effective April 1, 2000, the Corporation's contributions increased to an amount reflecting the full cost of the employer's contributions. As of April 1, 2000, the employer's contribution is 2.14 times the employees' contribution. The Corporation is not required to make any contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

	2002	2001
	(thousands of dollars)	
Employer Contribution	$259	$245
Employee Contribution	121	118
Total	$380	$363

9. Commitments

In March 2002, the Yukon Government announced that the Whitehorse Liquor Store would be moved from its present leased premises to the Corporation's headquarters and warehouse site. To facilitate this relocation the Corporation will renovate its existing warehouse at an estimated cost of $750 thousand. It is planning to move the store by April 2003 and as a result, would only be paying rent for the coming year amounting to $210,120. Afterwards, the Yukon Government will assume the lease.

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YUKON GOVERNMENT FUND LIMITED

FINANCIAL STATEMENTS

December 31, 2001

(audited)

CHARTERED ACCOUNTANTS

MacKay LLP

mackay.ca

Auditors' Report

To the Directors of
Yukon Government Fund Limited

We have audited the balance sheet of Yukon Government Fund Limited as at December 31, 2001 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2001 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Whitehorse, Yukon

January 17, 2002

MacKay LLP

Chartered Accountants

Yukon Government Fund Limited

Balance Sheet

As at December 31,	2001	2000
Assets		
Current		
Cash	$ 646,685	$ 152,627
Interest receivable (note 7and 8)	58,582	22,106
	705,267	174,733
Deferred costs (note 6)	**47,228**	70,872
Restricted cash (note 5)	**2,650,000**	1,000,000
Deferred distribution fees (note 6)	**768,000**	320,000
Due from 19596 Yukon Ltd. (note 7 and 8)	**9,275,000**	3,500,000
	$ 13,445,495	$ 5,065,605
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 13,454**	$ 11,809
Due to the Government of the Yukon (note 6 and 9)	**116,173**	116,173
Due to Investors (note 10)	**13,250,000**	5,000,000
	13,379,627	5,127,982
Shareholders' Equity		
Share capital (note 11)	**100**	100
Retained earnings (deficit)	**65,768**	(62,477)
	65,868	(62,377)
	$ 13,445,495	$ 5,065,605

Approved by the Directors

Director

Director

Yukon Government Fund Limited

Statement of Operations and Retained Earnings

For the year ended December 31,	2001	2000
Revenue	**$ 636,462**	$ 137,299
Expenses		
Amortization of deferred costs and distribution fees (note 6)	235,644	103,644
Interest paid to investors	205,041	42,740
Reporting fees	62,969	18,232
Professional fees	4,250	5,523
Supplies	259	119
Bank charges and interest	54	80
	508,217	170,338
Net income (loss)	**128,245**	(33,039)
Deficit, beginning of year	**(62,477)**	(29,438)
Retained earnings (deficit), end of year	**$ 65,768**	$ (62,477)

Yukon Government Fund Limited

Statement of Cash Flows

For the year ended December 31,	2001	2000
Cash flows from Operating activities		
Net income (loss)	$ 128,245	$ (33,039)
Items not affecting cash		
Amortization	235,644	103,644
Change in non-cash working capital		
Distribution fees	(660,000)	(400,000)
Interest receivable	(36,476)	(22,106)
Due to the Government of the Yukon	-	119
Accounts payable and accrued liabilities	1,645	4,009
	(330,942)	(347,373)
Financing activities		
Increase in due to investors	8,250,000	5,000,000
	8,250,000	5,000,000
Investing activities		
Increase in loans	(5,775,000)	(3,500,000)
	(5,775,000)	(3,500,000)
Increase in cash	**2,144,058**	1,152,627
Cash, beginning of year	**1,152,627**	-
Cash, end of year	**$ 3,296,685**	$ 1,152,627
Cash represented by:		
Cash	**$ 646,685**	$ 152,627
Restricted Cash	**2,650,000**	1,000,000
	$ 3,296,685	$ 1,152,627

Yukon Government Fund Limited

Notes to Financial Statements

December 31, 2001

1. Incorporation and Basis of Presentation

Yukon Government Fund Limited ("the Company") is incorporated under the Business Corporations Act (Yukon). The Company is wholly owned by the Government of the Yukon ("the Government").

2. Purpose

The Company is a Government administered venture capital fund pursuant to the Immigration Regulations. 1978 (Canada), as amended ("the Regulations"). Under the Regulations the purpose of the Company is to invest in the active business operations of at least two eligible businesses.

The Company provides loan and equity capital to establish, expand. purchase, maintain or revitalize business or commercial ventures in the Yukon Territory which comply with the Regulations and are of significant economic benefit to the Yukon Territory, including creation or continuation of employment opportunities for Canadian citizens or permanent residents other than the investor and his/her dependents.

3. Accounting Policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Income taxes
The corporation is wholly owned by the Government and, therefore. is exempt from income taxes.

(b) Financial instruments
All significant financial assets, financial liabilities and equity instruments of the company are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk.

4. Offering Memorandum

On January 4, 1999 the company finalized a Confidential Offering Memorandum for filing with the Business Immigration Division, Department of Citizenship and Immigration, Canada. Government of Canada. The maximum and minimum amounts of the offering were $30,000,000 (120 units). and $3,000,000 (12 units) respectively. The Company has committed to use the proceeds of the offering to invest in eligible businesses in the Yukon. The offering expired on March 31, 1999.

Proceeds from the sale of units will be held in trust by the escrow agent until a closing and may be released from escrow providing certain conditions are met.

The balance held in escrow. as at December 31. 2001 is $ 599,411 (2000 - $ 2.566,469).

5. Restricted Cash

The terms of the confidential offering memorandum requires that 20% of the subscription proceeds be placed in an account to be used to repay investors who may ultimately be rejected for issuance of an immigrant visa.

6. Deferred Costs and Distribution Fees

Legal fees and other expenditures related to the incorporation and issuance of the Confidential Offering Memorandum (note 4) have been deferred and are being amortized over 5 years, the initial term of the investments.

The Government has advanced funds to cover these expenses. A portion of the proceeds of the offering will be used to repay the government.

Distribution fees of 8% of the subscription proceeds have been deferred and amortized over the terms of the investments (5 years).

	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Deferred costs	$ 118,220	$ 70,992	**$ 47,228**	$ 70,872
Deferred distribution fees	$ 1,060,000	$ 292,000	**$ 768,000**	$ 320,000

7. Due from 19596 Yukon Ltd.

	2001	2000
Term loan earning interest equal to 7.7% per annum, calculated and compounded semi-annually, not in advance, payable monthly. Repayable at maturity, maturing May 1, 2005. Secured by promissory notes and a security agreement over equipment.	**$ 9,275,000**	$ 3,500,000

8. Related Party Transactions

Interest receivable of $ 61,705 (2000 - $22,106) is payable by 19596 Yukon Ltd., a company with significant common influence. At December 31, 2001, 19596 Yukon Ltd. owed $ 9,275,000 (2000 - $3,500,00) to the Company.

9. Due to the Government of the Yukon

The amount due to the shareholder is unsecured and due on demand. However, the shareholder has indicated that it will not request payment until the amount due to investors is repaid. Consequently, this item has been classified as a long-term liability in the accompanying financial statements.

10. Due to Investors

	2001	2000
Term loans from individual investors ($250,000 each) bearing interest at 2% payable on December 31, repayable 180 days after maturity, maturing May 5, 2005	$ 2,500,000	$ 2,500,000
Term loans from ten individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing October 20, 2005	2,500,000	2,500,000
Term loans from ten individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing January 17, 2006	2,500,000	-
Term loans from eleven individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing May 14, 2006	2,750,000	-
Term loans from nine individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing July 18, 2006	2,250,000	-
Term loans from three individual investors ($250,000 each) bearing interest at 2% payable annually, repayable 180 days after maturity, maturing September 21, 2006	750,000	-
	$ 13,250,000	$ 5,000,000

The amount due to investors is repayable annually as follows:

2005	5,000,000
2006	8,250,000
	$ 13,250,000

11. Share Capital

Share capital consists of the following:

Authorized
Unlimited number of shares without nominal or par value.

	2001	2000
Issued		
100 common shares	$ 100	$ 100

No dividends, share repurchases or return of capital shall be paid at any time when the Company has outstanding debt obligations to investors. Subject to this restriction, the holders of shares shall have all the rights of a shareholder under the Business Corporations Act, including the right to vote. No shares shall be transferred without the prior consent of the Government.

12. Comparative Amounts

Certain comparative amounts have been reclassified to conform to the current year's presentation.

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19596 YUKON INC.

FINANCIAL STATEMENTS

December 31, 2001

(unaudited)

CHARTERED ACCOUNTANTS

MacKay LLP

mackay.ca

Review Engagement Report

To the Directors of
19596 Yukon Inc.

We have reviewed the balance sheet of 19596 Yukon Inc. as at December 31, 2001 and the statements of operations and retained earnings and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

MacKay LLP

Whitehorse, Yukon

February 5, 2002

Chartered Accountants

19596 Yukon Inc.

Balance Sheet
(Unaudited - see Review Engagement Report)

As at December 31,	2001	2000
Assets		
Current		
Bank	$ 70,951	$ 54,009
Short-term investment (note 2)	-	397,608
Accounts receivable	50,785	183,035
Income taxes receivable	61,210	-
	182,946	634,652
Restricted Cash (note 6)	**1,653,779**	1,258,472
Property and equipment (notes 3 and 4)	**8,442,613**	3,625,835
	$ 10,279,338	$ 5,518,959
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 153,074	$ 1,041,543
Income taxes payable	-	381,988
Due to shareholders	346,500	-
	499,574	1,423,531
Due to Yukon Government Fund (note 5)	**9,275,000**	3,500,000
	9,774,574	4,923,531
Shareholders' Equity		
Share capital (note 7)	**200**	200
Retained earnings	**504,564**	595,228
	504,764	595,428
	$ 10,279,338	$ 5,518,959

Approved by the Directors

_____, Director

_____, Director

19596 Yukon Inc.

Statement of Operations and Retained Earnings
(Unaudited - see Review Engagement Report)

For the year ended December 31,	2001	2000
Revenue		
Equipment lease	$ 1,700,000	$ 1,275,000
Interest income	101,305	66,330
	1,801,305	1,341,330
Expenses		
Advertising and promotion	-	1,752
Amortization	1,021,025	322,409
Bank charges and interest	10,332	130
Interest on long-term debt	547,236	22,106
Management fees	346,500	-
Professional fees	28,086	17,717
	1,953,179	364,114
Income (loss) before income taxes	**(151,874)**	977,216
Income taxes (recovery)	**(61,210)**	381,988
Net income (loss)	**(90,664)**	595,228
Retained earnings, beginning of year	**595,228**	-
Retained earnings, end of year	**$ 504,564**	$ 595,228

19596 Yukon Inc.

Statement of Cash Flows
(Unaudited - see Review Engagement Report)

For the year ended December 31,	2001	2000
Cash provided by (used in)		
Operating activities		
Net income (loss)	$ (90,664)	$ 595,228
Item not affecting cash		
Amortization	1,021,025	322,409
Change in non-cash operating working capital		
Accounts receivable	132,250	(182,835)
Income taxes receivable	(61,210)	-
Accounts payable and accrued liabilities	(888,469)	1,041,543
Income taxes payable	(381,988)	381,988
Due to shareholders	346,500	-
	77,444	2,158,333
Financing activities		
Increase (decrease) in long-term debt	**5,775,000**	3,500,000
Investing activities		
Property and equipment purchased	(5,837,803)	(3,948,244)
Increase in restricted cash	(395,307)	1,258,472)
	6,233,110)	5,206,716)
Increase in cash	**(380,666)**	451,617
Cash, beginning of year	**451,617**	-
Cash, end of year	**$ 70,951**	$ 451,617
Cash represented by:		
Cash	$ 70,951	$ 54,009
Short-term investments	-	397,608
	$ 70,951	$ 451,617

December 31, 2001

1. Accounting Policies

The company is incorporated under the laws of the Yukon Territory and its major activity is the leasing of communications equipment. The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Financial instruments
All significant financial assets, financial liabilities and equity instruments of the company are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk.

(b) Property and equipment
Property and equipment are recorded at cost. Amortization is calculated by the declining balance method at the annual rates set out in note 2.

(c) Income taxes
Income taxes are accounted for using the deferred income taxes method.

2. Short-term Investments

Short-term investment consisted of Darrwin Trust commercial paper bearing interest at 5.78%, that matured January 26, 2001.

3. Property and Equipment

			2001		2000
	Rate	Cost	Accumulated Amortization	Net book Value	Net book Value
Equipment	20%	$ 2,015,359	$ 319,077	$ 1,696,282	$ 587,705
Communication Equipment	20%	1,733,493	360,385	1,373,108	935,180
Satellite	20%	1,000,075	162,902	837,173	314,471
Structures & improvements	4%	1,408,967	54,702	1,354,265	663,071
Fiber Cable	12%	3,015,612	276,298	2,739,314	794,676
Roads	8%	125,284	7,496	117,788	31,062
Routers	30%	481,718	160,702	321,016	294,813
Computer Equipment	30%	2,568	1,040	1,528	2,183
Office Furniture	20%	2,971	832	2,139	2,674
		$ 9,786,047	$ 1,343,434	**$ 8,442,613**	$ 3,625,835

4. Due to Yukon Government Fund Limited

	2001	2000
Term loan bearing interest equal to 7.7% per annum, calculated and compounded semi-annually, not in advance, payable monthly. Repayable at maturity, maturing May 1, 2005. Secured by promissory notes and a security agreement over equipment.	**$ 9,275,000**	$ 3,500,000

Estimated annual repayments of the loans payable are as follows:

2002	$ -
2003	-
2004	-
2005	9,275,000
	$ 9,275,000

5. Related Party Transactions

During the year, the Company borrowed $5,775,000 (2000 - $3,500,000) from Yukon Government Fund, a company with significant common influence. As at March 31, 2001, the total amount due to the Yukon Government Fund was $9,275,000.

6. Restricted cash

Restricted cash represents equipment lease funds deposited into a trust account with HSBC Bank Canada. These funds are to be used to pay amounts owing to Yukon Government Fund Limited, to pay GST to the appropriate government agency, and audit, legal, and other fees incurred by 19596 Yukon Inc. in connection with the transactions contemplated by the loan agreement with Yukon Government Fund Limited, the equipment lease and the procurement agreement.

7. Share Capital

Authorized
Unlimited number of shares without nominal or par value

	2001	2000
Issued		
200 common shares	**$ 200**	$ 200

8. Commitments

The Company has entered into a procurement agreement for the purchase of fixed assets estimated at $11,025,000. The balance of the commitment as at December 31, 2001 is $1,635,953.

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COMPENSATION FUND (YUKON)

FINANCIAL STATEMENTS

December 31, 2001

(audited)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

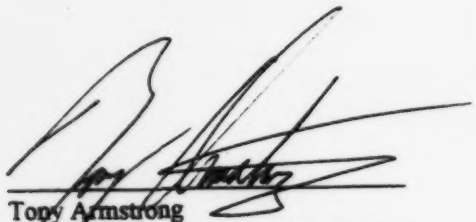
The management of the Yukon Workers' Compensation Health and Safety Board (the board) is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to provide reasonable assurance that reliable financial information is produced; board assets are safeguarded and controlled; transactions of the board are in accordance with relevant legislation, regulations and board policies; and that the board resources are managed efficiently and economically and the operations of the board are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the board. The financial statements as at December 31, 2001, which include amounts based on management's best estimates as determined through experience and judgement, are in accordance with Canadian generally accepted accounting principles. Other financial information included in the Annual Report is consistent with these financial statements.

Board members (the Board) are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance, Investment, and Audit Committee. The Finance, Investment, and Audit Committee has reviewed the financial statements and has submitted its report to the Board, which has approved these financial statements.

The Auditor General of Canada conducts an independent audit for the purpose of expressing her opinion on the financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with specified legislation.

Hewitt Associates, an independent consulting actuarial firm, has been engaged to provide an opinion of the adequacy and appropriateness of actuarial valuations of the benefits liability of the board.



Tony Armstrong
President and Chief Executive Officer

Susan J. Ryan, CMA
Vice President, Operations

March 22, 2002

AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Honourable Sue Edelman
Minister responsible for the Compensation Fund (Yukon)

I have audited the balance sheet of the Compensation Fund (Yukon) as at December 31, 2001 and the statements of operations and reserves and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Compensation Fund as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Workers' Compensation Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept, the financial statements are in agreement therewith and the transactions of the Compensation Fund that have come to my attention during my audit of the financial statements have, in all significant respects, been in accordance with the *Workers' Compensation Act* and regulations, the *Occupational Health and Safety Act* and regulations and the *Financial Administration Act* and regulations.

Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada
Ottawa, Canada
March 22, 2002

Compensation Fund
Balance Sheet
As at December 31

	2001 ($000s)	2000 ($000s)
Assets		
Accounts receivable (note 3)	$ 216	$ 260
Investments (note 4)	136,874	137,475
Capital assets (note 5)	3,284	3,349
	$ 140,374	$ 141,084
Liabilities and Reserves		
Bank overdraft	$ 75	$ 382
Accounts payable (note 3)	2,575	1,811
Benefits liability (note 6)	78,174	80.792
Total liabilities	80,824	82,985
Reserves (note 7)	59,550	58,099
	$ 140,374	$ 141,084

Contingencies (note 10)

The accompanying notes are an integral part of the financial statements.

Approved by the Yukon Workers' Compensation Health & Safety Board

Chair
Dale Schmekel

Compensation Fund
Statement of Operations and Reserves
For the year ended December 31

	2001 ($000s)	2000 ($000s)
	Total	**Total**
Revenue		
Assessments	$ 7,165	$ 6,814
Investment (note 4)	9,004	10,982
Recoveries and miscellaneous	412	805
	16,581	18,601
Expenses		
Claims expenses (note 6)	17,548	14,257
Administration and prevention (note 11)		
Administration	5,464	4,945
Occupational health and safety	952	896
Workers Advocate office	309	195
Appeal Tribunal office	194	144
Total expenditures	24,468	20,437
Operating deficit for the year	(7,887)	(1,836)
Effect of change in assumptions (note 6)	9,337	-
Final operating surplus (deficit)	1,450	(1,836)
Reserves, beginning of year	58,099	59,935
Reserves, end of year (note 7)	$ 59,549	$ 58,099

The accompanying notes are an integral part of the financial statements.

Compensation Fund
Statement of Cash Flows
For the year ended December 31

	2001 ($000s)	2000 ($000s)
Cash flows from operating activities		
Cash received from:		
Employers, for assessments	$ 6,783	$ 5,573
Recoveries and miscellaneous	821	1,077
Investment revenue	8,686	12,250
	16,290	18,900
Cash paid to:		
Claimants or third parties on their behalf	(10,764)	(7,754)
Suppliers, for administrative and other goods and services	(6,143)	(5,676)
	(16,907)	(13,430)
Cash (used in) provided by operating activities	(617)	5,470
Cash flows from investing activities		
Sales and maturities of investments	156,043	145,706
Proceeds on disposal of capital assets	1	1
Purchases of investments	(154,648)	(151,163)
Purchases of capital assets	(472)	(380)
Cash provided by (used in) investing activities	924	(5,836)
Net increase (decrease) in cash	307	(366)
Bank overdraft, beginning of year	(382)	(16)
Bank overdraft, end of year	$ (75)	$ (382)

The accompanying notes are an integral part of the financial statements.

Compensation Fund
Notes to Financial Statements
December 31, 2001

1. Nature of Operations

The Compensation Fund (the Fund) was established by the *Workers' Compensation Act* and is administered by the Yukon Workers' Compensation Health and Safety Board (the board) pursuant to the Act. The Fund, as administered by the board, provides compensation for injury or death by accident arising out of and in the course of employment. Annual assessments are levied upon employers, usually on the basis of their reported assessable payrolls. The assessment and investment revenue pays for all of the claims, administration and prevention expenses.

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The more significant accounting policies of the board are as follows:

(a) Benefits liability

The benefits liability represents the actuarial present value of all future benefit payments expected to be made for claims which have occurred in the current fiscal year or in any prior year. The benefit liability contains a provision for future payments on claims that have not been finalized to date. It is comprised of three liabilities for medical aid and compensation, pension, and annuity.

Medical aid and compensation includes benefits for medical aid, compensation for loss of earnings and personal property, lump sum payments for permanent impairment, rehabilitation assistance, emergency transportation, traditional aboriginal healing, and death and funeral expenses.

The pension liability includes monthly pension benefits indexed annually that are paid to spouses, dependent children and guardians of dependent children of those who die from a work-related injury.

The annuity liability is for workers who have received compensation for the same disability for at least two full years. Ten percent of the total compensation payments, plus interest, is set aside to provide a retirement annuity at sixty-five years of age.

(b) Allocation of reserves

The reserves are comprised of a prevention and benefit enhancement reserve, a target reserve, and a rate transition reserve. Once the benefits liability is determined, the remaining difference between the board's assets and liabilities is credited to reserves as follows:

Prevention and benefit enhancement reserve - the initial amount identified as at December 31, 1997 will be credited with interest at the same rate as the annuity liability.

2. Significant Accounting Policies (continued)

(b) Allocation of reserves (continued)

The target reserve itself has three components, funded as follows:

Catastrophic claims -	200 times the maximum wage rate
Adverse claims experience -	16% of the unsubsidized assessment revenue plus 12% of the benefits liability
Occupational disease and enhanced disabilities including latent occupational diseases -	7% of the benefits liability

After the target reserve has been funded, the rate transition reserve is charged with the difference between the amounts charged or credited to the other two reserves and the total available for reserves.

(c) Investments

The objective of the board's investment policy is to ensure that funds are available to satisfy the liabilities. A portion of the investments is designated to match the benefits liability.

The carrying value of fixed-term investments, having terms greater than one year, consisting primarily of bonds, is cost, net of amortization of premiums/discounts on purchase. Fair value is the stated market value at year-end. Gains and losses realized on disposal of fixed-term investments during the year are deferred and amortized over the remaining period to maturity of the related investment.

Equity investments are carried at cost plus a moving average market method adjustment to amortize unrealized gains and losses over a five year period. Net realized gains or losses on the disposal of equity investments are deferred and amortized to income on a straight-line basis over five years.

(d) Assessments

Assessment revenues are calculated on actual or estimated payrolls as reported by the employer, or on provisional assessments as determined by the board. Separate rates of assessment are established for each industry classification.

In addition, the board administers the Government of Yukon employees' compensation claims related to injuries prior to January 1, 1993 when the Government was a self-insured employer. The Fund receives reimbursement for the claim costs and related administrative expenses of those employees.

(e) Supplementary compensation benefits

Supplementary compensation benefits are granted, pursuant to the Yukon Workers' Compensation Supplementary Benefits Ordinance, to all persons receiving compensation on or after October 1, 1973 for accidents prior to that date. Compensation is increased to the amount that would have been granted had the accident occurred after the Act came into force. The cost of these benefits is recovered from the Yukon Consolidated Revenue Fund.

2. Significant Accounting Policies (continued)

(f) Third party subrogated claims

In certain limited circumstances, under section 42 of the *Workers' Compensation Act*, the board is deemed to be an assignee of a cause of action in respect of a claimant's disability. The claimant receives 25% of any settlement received after deducting all the costs of the action. This is over and above any future benefits entitlement. The remaining amount is used to offset future claims benefits, which were previously expensed in accordance with actuarial calculations, and which were previously incorporated in the benefits liability.

Revenue received from third party subrogated claims is recorded in the year the settlement occurs. No provision is made for these claims in the benefits liability, because of their contingent nature.

(g) Capital assets

Capital assets are carried at cost less accumulated amortization. Amortization is calculated on the straight-line method, using rates based on the estimated useful life of the assets as follows:

Buildings	40 years
Furniture and equipment	5 to 10 years
Computer equipment & software development	3 years

(h) Employee future benefits

Under the conditions of employment, employees may qualify and earn employment benefits for vacation, sick, compensatory and personal leave, travel bonus, and severance benefits. The benefit obligation was determined on an actuarial basis. The key assumptions used were a liability discount rate of 7% and an annual rate of general escalation of 3%. The obligation for vacation leave, sick leave, and severance benefits were calculated using the projected benefit method pro-rated on service. The remainder was calculated assuming all employees would receive the benefits on valuation date.

(i) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. This mainly affects claims expenses, benefits liability and the reserves. Actual results could materially differ from these estimates.

3. Accounts Receivable and Accounts Payable

	2001 ($000s)	2000 ($000s)
Receivable		
Assessments	$ 184	$ 194
Other receivables	32	66
	$ 216	$ 260
Payable		
Government of Yukon	$ 867	$ 275
Other payables	1,708	1,536
	$ 2,575	$ 1,811

4. Investments and investment revenue

	2001 ($000s)		2000 ($000s)	
	Carrying Value	Market Value	Carrying Value	Market Value
(a) Fixed-term securities				
Federal Bonds	$ 73,452	$ 74,527	$ 65,315	$ 67,188
Provincial Bonds	22,794	23,834	37,030	37,626
Corporate Bonds	35,087	36,120	28,170	28,306
	$ 131,333	$ 134,481	130,515	133,120
Equities				
Canadian	10,245	9,926	9,787	10,525
United States	1,355	1,091	1,410	1,200
Overseas	1,802	1,424	1,777	1,685
	13,402	12,441	12,974	13,410
Cash and short-term investments				
Cash	1	1	3	3
Treasury Bills	2,363	2,363	3,959	3,959
Accrued interest income	1,313	1,313	1,577	1,577
	3,677	3,677	5,539	5,539
Custodial and investment management fee accrual	(83)		(141)	
Deferred investment gains	(11,455)		(11,412)	
	$ 136,874	$ 150,599	$ 137,475	$ 152,069

4. Investments and Investment Revenue (continued)

	2001 ($000s)	2000 ($000s)
(b) Deferred investment gains		
Balance, beginning of year	$ 11,412	$ 13,660
Realized net gains for the year	1,125	(1,407)
Amortization	(1,082)	(841)
Balance, end of year	$ 11,455	$ 11,412
(c) Investment Income		
Fixed-term investments	$ 7,914	$ 7,861
Equity investments	427	2,624
Short-term investments	5	2
Less: Investment fees	(424)	(346)
	7,922	10,141
Amortization of investment gains	1,082	841
Investment Income	$ 9,004	$ 10,982

The following is the total amortization of deferred investment gains to be credited to income:

2002	1,213
2003	1,005
2004	922
2005	825
2006 to 2032	7,490
	$ 11,455

The fixed-term investments mature as follows:

1 to 5 years	$ 61,397
6 to 10 years	40,270
11 to 20 years	10,104
More than 20 years	19,562
	$ 131,333

The weighted average interest rate for fixed-term securities at December 31, 2001 is 6.85% (2000-8.35%).

The Board has established a policy for the management of the investment process, utilizing external investment portfolio managers. The portfolio managers' compliance with this investment policy is monitored on a regular basis.

In following its new investment policy, the board has engaged new investment portfolio managers. As a result, the Fund disposed of all of its equity investments in February 2002. This disposition resulted in a $1,076,000 loss, and this loss will be deferred and amortized over five years. New equity managers were appointed and the new managers have reinvested in different equities.

4. Investments and Investment Revenue (continued)

Credit Risk Management

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument fails to meet its obligations. Therefore, short-term investments must have a credit rating of at least R1, and long-term investments require a rating of A or higher by the Dominion Bond Rating Service in order to be eligible for consideration as an investment. Diversification of credit risk is managed by limiting the exposure in a single private institution to 5% of the portfolio.

Foreign Exchange Risk Management

The board has investments in equities denominated in foreign currencies. It does not undertake long-term hedging strategies for the currency risk of foreign investments. The Board undertakes long-term investment strategies: however, currency fluctuations may affect short-term returns. Investments in US$ total $2,073,482 (2000 - $2,202,585).

Interest Rate Risk Management

Fluctuations in interest rates can impact the market value of the fixed-term portfolio, as well as shift investor preferences among asset classes. Interest rate risk is minimized by managing the duration of the fixed-term portfolio.

5. Capital Assets

	Cost	Accumulated Amortization	2001 Net Carrying Value ($000s)	2000 Net Carrying Value ($000s)
Land	$ 390	$ -	$ 390	$ 390
Buildings	3,188	(750)	2,439	2,467
Furniture and equipment	468	(366)	102	124
Computer equipment and software development	1,668	(1,315)	353	368
	$ 5,714	$ (2,430)	$ 3,284	$ 3,349

6. Benefits Liability

	2001 ($000s)				2000 ($000s)
	Medical Aid & Compensation	Pension	Annuity	Total	Total
Balance, beginning of year	$ 56,758	$ 21,768	$ 2,266	$ 80,792	$ 74,144
Effect of change in assumptions	(7,995)	(1,342)	-	(9,337) (1)	
Adjusted Balance, beginning of year	$ 48,763	$ 20,426	$ 2,266	$ 71,455	$ 74,144
Add: Claims Costs incurred:					
Current year injuries	10,038	-	-	10,038	12,571
Prior years' injuries	3,611	1,166	808	5,585	1,686
Impact of appeal decisions	1,925	-	-	1,925 (2)	-
	15,574	1,166	808	17,548	14,257
Less: Claims payments made:					
Current year injuries	1,966	-	-	1,966	1,839
Prior years' injuries	7,635	1,184	44	8,863	5,770
	9,601	1,184	44	10,829	7,609
Balance, end of year	$ 54,736	$ 20,408	$ 3,030	$ 78,174	$ 80,792

(1) Every three years, the methods and assumptions used to value the benefits liability are reviewed by the board's consulting actuary. As part of this review, the board revised its net investment rate of return to 3.5%. (2000 - 3%). The use of this new rate to discount claims costs to the present is the principal reason for a lower benefits liability valuation.

(2) During 2001, a number of claims were successfully appealed. As a result, a number of adjustments were made to the claims, including retro-active payments. With these retro-active adjustments to the claims data, the beginning of the year Benefits Liability was increased by $1,925,000.

The benefits liability was determined using accepted actuarial practices in accordance with standards established by the Canadian Institute of Actuaries. The actuarial present value of future benefits reflects management's long-term estimates of economic and actuarial assumptions and methods, which were based on past experience modified for current trends. As these assumptions may change over time to reflect underlying economic or legislated conditions, it is possible that such changes could cause a material change to the actuarial present value of future benefit payments.

The following key long-term economic assumptions were used in the actuarial valuation of the benefits liabilities:

	2001	2000
Future net investment rate of return	3.50%	3.00%
Future net increase in medical aid	2.25%	1.50%
Future net increase in compensation	2.25%	1.50%
Future net increase in rehabilitation	3.50%	3.00%

7. Reserves

	Prevention and Benefit Enhancement Reserve	
	2001 ($000s)	2000 ($000s)
Balance, beginning of year	$ 13,772	$ 12,531
Current allocation	978	1,241
Balance, end of year	$ 14,750	$ 13,772

	Target Reserve				
	2001 ($000s)				2000 ($000s)
	Catastrophic Claims	Adverse Claims Experience	Occupational Disease Claims	Total	Total
Balance, beginning of year	$ 12,480	$ 11,019	$ 5,656	$ 29,155	$ 27,135
Current allocation	540	266	(184)	622	2,020
Balance, end of the year	$ 13,020	$ 11,285	$ 5,472	$ 29,777	$ 29,155

Total available for reserves	$ 59,550	$ 58,099
Less: Prevention and Benefit Enhancement Reserve	14,750	13,772
Target Reserve	29,777	29,155
Rate Transition Reserve, end of year	$ 15,023	$ 15,172

8. Pension Fund

The Fund and employees of the board, who are deemed to be employees of the Government of the Yukon, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Effective April 1, 2000, the Fund's contributions will fluctuate from year to year depending on the experience of the Plan. The Fund's contributions represent the total pension obligation of the Fund and are charged to operations on a current basis. The employer's contribution is currently 2.14 times (2000 - 2.14 times) the employees' contribution. The Fund is not required to make any contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

	2001	2000
Employees' contributions	$ 142,588	$ 130,146
Fund contributions	304,210	246,565
Total	$ 446,798	$ 376,711

9. Related Party Transactions

As an agency of the Government of the Yukon, the board is related to all government departments, agencies and Crown corporations. The Compensation Fund paid the Government $541,000 (2000 -$556,000) for building maintenance, computer, office supplies, payroll, recruitment, vehicle and rehabilitation services. The Fund also reimbursed $4,088,000 for payroll costs (2000 - $3,670,000). Revenues totaled $402,000 (2000 - $406,000) for supplementary benefits. Occupational health and safety mine rescue expenses were not recovered in 2001 (2000 - $330,000). All mainframe computer software is owned by the Government.

Any other transactions with the Government are part of the ordinary course of business. Effective January 1, 1993, all Government employees are covered by the Fund. The board received assessments from the Government totaling $2,134,804 (2000 - $2,028,919) for post-92 claims. Pre-93 claims costs of $380,000 (2000 - $160,000) were reimbursed to the Fund.

10. Contingent Liabilities

The board is responsible for future costs of claims relating to certain latent occupational diseases which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Because of the absence of reliable evidence and data pertaining to these matters, these liabilities cannot be estimated. Therefore, a separate amount has been allocated in the target reserve. Due to the measurement uncertainty surrounding this estimate, the actual liability relating to these diseases may be materially different than the amount allocated.

In May 2002, the *Workers' Compensation Act* was amended to raise the annual maximum wage rate used to calculate benefits to workers injured before 1993. In addition, the *Spousal Compensation Act* was assented to in May 2002 to reinstate the benefits to spouses of deceased workers, whose benefits were terminated when the spouses remarried during the period April 1985 to April 1987. The board has yet to determine the impact of these legislative changes in its claims costs, benefits liability, and reserves.

11. Administration and Prevention Expenses

	2001 ($000s)	2000 ($000s)
Salaries and benefits	$ 4,397	$ 3,948
Consulting and professional	523	499
Amortization	508	481
Board expenses	232	140
Automobile and travel	227	200
Communications	215	140
Computer systems	209	196
Buildings	193	187
Staffing and recruitment	154	142
General administration	97	94
Printing and publications	94	89
Supplies and stationery	42	48
Furniture and equipment	29	16
	$ 6,919	$ 6,180

The net expenses have been allocated as follows:

Administration	$ 5,464	$ 4,945
Occupational health & safety	952	896
Appeal Tribunal office	194	144
Workers' Advocate office	309	195
	$ 6,919	$ 6,180

12. Comparative figures

Certain comparative figures for 2000 have been reclassified to conform with 2001 presentation.

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PART THREE

DEPARTMENTAL OBJECTIVES

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Yukon Legislative Assembly

The Yukon Legislative Assembly is the parliament of the Yukon, consisting of Members who are elected by the people of the Yukon. Through them Yukon people make territorial laws and provide money needed by the Government of the Yukon for the present and future good of the people of the Territory.

Elections Office

To manage and conduct elections of members of the Legislative Assembly and school-governing groups.

To provide administrative support for electoral district boundaries commissions.

Office of the Ombudsman

To enhance public confidence and promote fairness and integrity in public administration of Yukon.

Executive Council Office

To conclude, as the Government's top priority, outstanding land claims and self-government agreements with Yukon First Nations.

To ensure effective implementation of land claim agreements in areas of Yukon responsibility.

To build strong "government-to-government" relationships between the Yukon and Yukon First Nation governments.

To foster effective relations with the governments of Canada, the provinces and territories, and with other circumpolar jurisdictions such as the State of Alaska.

To advance the constitutional status of the Yukon through legislative amendments and transfer of provincial-type programs from Canada to the Yukon.

To negotiate, pursuant to land claims agreements, implementation of the Yukon's portion of the Development Assessment Process.

To facilitate the Cabinet decision-making process by providing advice, analysis and other services to Cabinet and its committees and by coordinating policy development and other projects of an interdepartmental nature.

To ensure effective communications with the Yukon public.

To coordinate corporate management issues, strategies and priority setting through provision of corporate programs.

To foster the maintenance, revitalization and protection of Yukon aboriginal languages and support Yukon aboriginal communities in their related activities.

To work with program departments to review and redesign programs to improve performance and accountability.

To provide management audit services to government.

To provide statistical information to government to support its decision-making capacity.

Community and Transportation Services

To promote local government, to provide support to municipalities, to provide municipal services and facilities in unincorporated communities and to participate in the efficient implementation of land claim settlements.

To plan, develop, maintain and regulate safe and efficient transportation systems and services for the Yukon.

To provide property assessment and general property taxation services.

To plan, develop and dispose of public lands and to manage land use activity.

To support the development of Yukon people and communities through sport, recreation and active living.

To provide, operate, and maintain community radio/television transmitters and the multi-departmental mobile radio system; and to participate in related policy developments.

To develop transportation, Connect Yukon, telecommunication and community infrastructure to improve the quality of life for all Yukoners.

To promote the improvement and cost-effectiveness of infrastructure through undertaking applied research into northern infrastructure development.

To support, administer and enforce building, electrical and mechanical safety standards, emergency preparedness and fire protection programs for the public safety of all Yukon people.

To promote and undertake environmentally sound and cost effective activities and programs.

To participate in government diversification, investment and trade initiatives relating to departmental mandate.

Economic Development

To work with Yukon people, communities, business, First Nations and other governments to create jobs, new opportunities and a strong, stable Yukon economy by:

- supporting and encouraging the responsible development of the Yukon's mineral, forestry and energy resources;
- managing and developing the Yukon's oil and gas resources consistent with social and environmental values;
- promoting the Alaska Highway Pipeline project to support increased economic activity and infrastructure for oil and gas development;
- encouraging the growth of new and established businesses and industries; and
- facilitating the development of infrastructure and an investment climate that supports sustainable economic activity for the betterment of Yukon people.

Education

To ensure effective lifelong learning opportunities are available for all Yukon people so they may achieve their personal potential. This is to be achieved through planning, developing, implementing and evaluating:

- elementary and secondary education for all school age children;
- Native Language Education Programs and the training of aboriginal languages teachers;
- French language programs;
- adult training, education and labour force development programs; and
- library, archival and access to information and protection of privacy (ATIPP) services.

Finance

To ensure that the financial resources of the Government of the Yukon are managed in a manner that meets the priorities of the Government and complies with the statutes.

Government Services

To provide procurement and management services, in partnership with government agencies, the business community and the public, that support and enhance the delivery of government programs.

Health and Social Services

Health and Social Services is committed to working with the community to ensure quality health and social services for Yukoners. This will be achieved by helping individuals acquire the skills to live responsible, active, healthy and independent lives; and by providing a range of accessible, sustainable services that assist individuals, families and communities to reach their full potential.

Justice

The Yukon Department of Justice operates to:

- enhance public confidence in, and respect for the law and society;
- promote an open and accessible system of justice that provides fair and equal services to all Yukon citizens;
- ensure that the administration of justice operates for the benefit of all persons in the Yukon;
- work toward an effective and responsive correctional system to manage offenders in ways that promote rehabilitation and ensure public safety;
- ensure the Government of the Yukon receives high quality legal advice and services;
- promote effective policing, crime prevention and community justice initiatives in our communities;
- encourage responsible commercial activity and protect consumer interests; and
- encourage respect for individual, collective and human rights.

Public Service Commission

To have valued partnerships and to provide human resource expertise leading to organizational excellence.

To provide corporate leadership in human resource management services for the Government of the Yukon.

To plan and implement Representative Public Service provisions of Yukon First Nation Land Claim Agreements.

Renewable Resources

To ensure that the renewable resources and the environment of the Yukon are managed and used in accordance with government policy by:

- maintaining and enhancing the quality of the Yukon's environment for present and future generations through ecosystem-based management, conservation of resources and protection and maintenance of biodiversity;
- implementing the Yukon Protected Areas Strategy, and the principles of the Yukon Conservation Strategy;
- ensuring that Yukon people have the opportunity to be involved in the development and review of departmental programs, policies, legislation and regulations through open and effective communication and processes;
- managing renewable resources in a manner that promotes integration with other sectors such as economic development, so that optimum benefits can be derived for all Yukon people;
- participating in national and international measures designed to enhance environmental quality and encourage sustainable use of renewable resources;
- integrating, implementing and managing additional authorities and responsibilities in areas of renewable resources and environmental management as they are devolved from the Government of Canada, that are consistent with the Government of the Yukon's policy and constitutional objectives; and
- undertaking resource management activities that meet the Government of the Yukon's obligations and respect the rights of aboriginal people and relationships established through land claim and self-government agreements.

Tourism

In partnership with the private sector, interest groups, municipal governments, First Nation governments and other government departments:

- to stimulate and sustain economic growth and employment opportunities for the benefit of Yukon people through the development and growth of the tourism sector in the Yukon by participating in government diversification, investment, trade and export strategies; and
- to stimulate and sustain economic growth and maximize socio-cultural benefits for Yukon residents and visitors through the preservation, development, interpretation, and growth of the Yukon's historic resources and of visual, literary and performing arts and cultural industries in the Yukon.

Women's Directorate

To support the Government of the Yukon's commitment to the economic, legal and social equality of women.

Yukon Development Corporation

Yukon Development Corporation shall, in undertaking new initiatives, restrict itself to energy-related activities designed to promote the economic development of the Yukon, and in particular designed to:

- assure a continuing and adequate supply of energy in the Yukon consistent with sustainable development;
- alleviate the effects of any energy shortage that may occur in the Yukon; and
- promote the establishment, development and operation within the Yukon of industries or undertakings that are, by their nature, energy-dependent through the provision of cost-effective energy or energy-related infrastructure.

To manage existing strategic investments in sustainable development in the Yukon.

To own the shares of the Yukon Energy Corporation.

Yukon Housing Corporation

To achieve its mission, the Yukon Housing Corporation will:

- facilitate community development to enable communities to address their housing needs;
- play a lead role in dispensing information and transferring technology to the Yukon housing industry;
- respond to the limitations of the housing marketplace with direct programming. This programming will include: provision of affordable, suitable and adequate accommodation to Yukon households in need; assistance to Yukon residents to construct, purchase or repair their homes; and, provision of adequate and suitable accommodation to Government of the Yukon employees living in rural communities, and administration of the Employee Housing Buyback Program;
- stimulate and encourage the marketplace to fulfil long-term housing needs; and
- stimulate and encourage the housing sector to participate in community and industry opportunities which further strengthen Yukon's economy.

Yukon Liquor Corporation

To provide for and regulate the purchase, importation, distribution and retail sale of alcoholic beverages in the Yukon by:

- undertaking a comprehensive review of the *Liquor Act* and Regulations;
- operating warehouses and retail stores in a manner that provides a level of service to the public and licensees that meets their needs while ensuring that optimal revenue is transferred to the Yukon Consolidated Revenue Fund;
- inspecting licensees' premises to ensure compliance with the *Liquor Act*; and
- providing and regulating the issuance, cancellation and suspension of liquor licences.

To encourage social responsibility in the sale and consumption of alcoholic beverages in the Yukon.

To provide for the return and, where possible, recycling of beverage containers.

To provide the services of Territorial Agent in rural communities where a liquor store is located.